

Corporate Overview of Internet Initiative Japan (IIJ)

Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

May and June 2026

Disclaimer

Statements made in this presentation regarding IIJ's or managements' intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues, operating and net profitability are subject to various risks, uncertainties and other factors that could cause IIJ's actual results to differ materially from those contained in any forward-looking statement.

Outline

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- FY25 (FY2025) stands for a fiscal year ended March 31, 2026. Others alike
- Abbreviation: NW stands for network, SI stands for systems integration, SI O/M stands for systems operation and maintenance, DC stands for data center, ¥(JPY) bn stands for JPY billion, HD stands for holdings and PF stands for platform.

We changed our accounting principles from the Generally Accepted Accounting Principles in the U.S. ("U.S. GAAP") to the International Financial Reporting Standards (IFRS) from the filing of FY2018 annual report "Yuka-shoken-houkokusho" which was filed on June 28, 2019. Because reporting period of foreign consolidated subsidiaries under IFRS is different from that of under U.S. GAAP, some figures disclosed in the past are different.

Business Status Updates

1 Network Engineering Capabilities as Our Core Value, to Become Prominent Differentiation

- **Over 2,000 network engineers** engaging in network service developments, operation, network enhancement and maintenance
- Proud of **comprehensive lineups of network services and network operation expertise**, enabling to maintain clients' trust for over 30 years no critical network outages since our founding
- Core differentiator from System Integrators (SIs)

2 Japanese Enterprises' Network Evolution Drives Our Business Demands

- Japanese enterprises **shifting from legacy closed internal networks to Internet-combined flexible network and systems**
- Not involved in such legacy networks, new and significant opportunities for IJ

3 Driving Scalable Growth through Service Integration Model

- Securing dramatically increasing **large-scale network replacement projects*** through **Service Integration model**, recognize one-time Network Integration (NI) revenue upfront followed by 4-5 years of monthly recurring revenue (MRR)
- **Transition to higher ARPU and stronger client retention**
- Anticipating large-scale IT outsourcing needs, driven by accelerating DX/IT adoption and labor shortage

4 Profitability to Improve with Business Scale Expansion

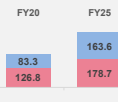
- **Volatility remains in the short term:**
 - ✓ Increasing large-scale Service Integration projects. Low-margin NI first, high-margin MRR follows for 4-5 years
 - ✓ Impacted by increased VMware license costs in FY24
 - ✓ General cost increases due to inflation; Japan's telecom market has been slow to raise prices, but gradual changes are expected
- **Operates a large-scale network with significant common costs. Increasing MRR benefits economies of scale**
- **AI enhances our value-added network services, network operational efficiency and internal service development capabilities without linear headcount growth**

5 Advancement of Growth Strategy

- **Current business environment and enduring IJ Group's competitive advantages are driving a shift in our business model: from NI & individual service/product delivery to an integrated service offering**
 - ✓ Network and system infrastructure operations as our business and technology foundation
- **IJ is positioned to benefit from AI through operational and development enhancements, unlike application-centric developers exposed to AI substitution risk**

*Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

Revenue (¥ bn)



Client Base

All Private Sectors in Japan

- ICT
- Finance
- Services
- Construction
- Retail
- Manufacturing, etc.

Public Sectors in Japan

- Central government agencies
- Local governments
- Educational institutions

Top MVNO by market share

- Over 30%*
- Over 200 MVNE clients

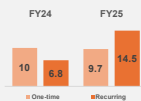
*MM Research Institute, as of Mar. 31, 2025

Overseas Business

- Supporting Japanese companies operating overseas
- Developing IJ's local businesses in ASEAN
- Approx. 13% of FY25 total revenue

- Approx. 16,000 clients
- Longstanding client relationships
- High penetration to top tier 10 companies each industry
- Continue to meet Internet-related demands
- Exceptionally low churn
- Advancing large-account strategy

Large-scale projects revenue (¥ bn)



Transactions and Projects Trends

Large-scale projects
Network replacement

Strong Demands from Finance and Public sectors

IoT-related Projects to Increase

Large-scale IT outsourcing Needs to Prevail

- Provide total solution as one suite
- Large-scale Service Integration projects increasing
- SI to enhance network service business development

Service Elements

Internet/Network

- Dedicated Internet connectivity
- Broadband connectivity
- Cloud network optimization
- Proprietary router
- Wireless LAN
- WAN

Security

- SOC
- Secure web gateway
- Mail security
- Managed firewall
- Zero Trust
- SASE

Cloud

- File servers
- Virtualization platform
- Backup servers
- Multi-cloud
- Data integration platform
- Dedicated cloud connectivity

MVNO

- Private network SIM
- Mobile router
- 5G
- eSIM
- Multi-carrier
- IMSI

IoT

- LoRa WAN
- Agriculture IoT
- Paddy field management
- Smart meter
- Factory automation
- Transportation data log

Network Integration

- Consultation
- Operation and maintenance



Professional Services

- Cloud integration
- IT consulting
- Full-outsourcing of IT operation

Over 2,000 talented network engineers

Proven operational excellence in network services

In-house development of a wide range of network services

One of the largest Internet backbone networks in Japan



Network Engineering Capabilities

- Network availability; 99.9999%
- Fully redundant configuration through multi-carrier architecture, etc.
- Low HR turnover rate; 3-4%
- Established service brand in Japan

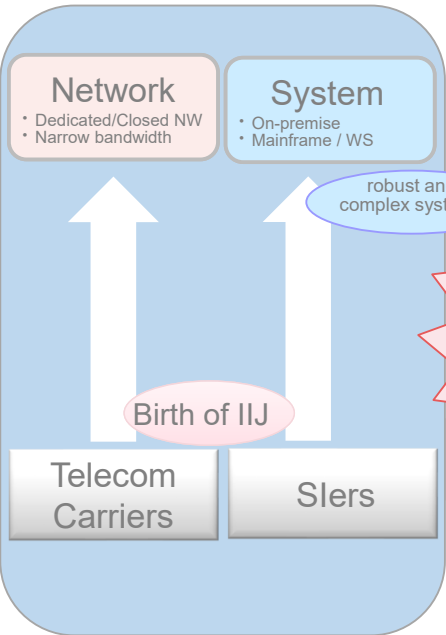
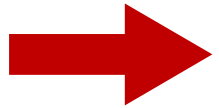
2 Network Evolution Drives Our Business Demands

30 years ago

IJJ: external network with Internet
 Carriers & Slers: internal network & systems
 Stick to legacy network & systems

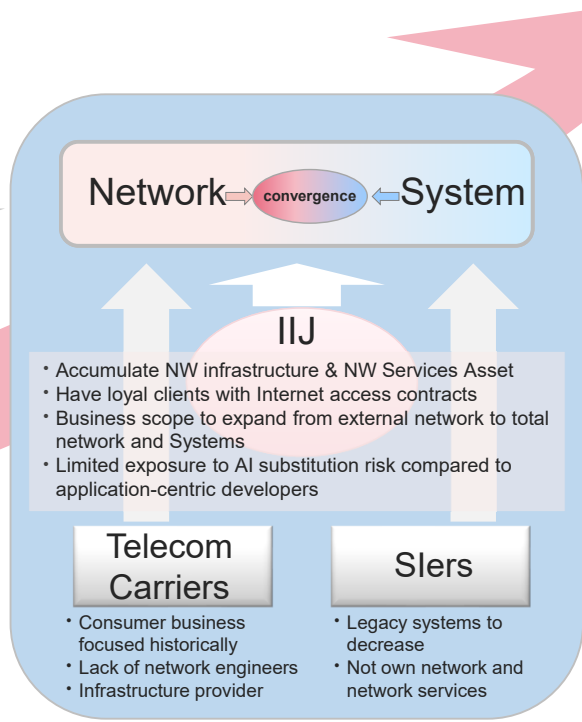
Nowadays

IJJ's growth opportunities
 full network & system coverage with various network functions
 Finally network & systems began to change in Japan after the COVID-19



Emergence of Internet
 Struggling switch to open systems

- High Speed/Capacity Network
- CPU/Storage Performance Improve
- Internet Usages Progressed
- Security for various incidents
- Gradual Cloud Shift
- Data Analysis and AI
- Preliminary IoT usages
- IT adoption at last forced by Pandemic**

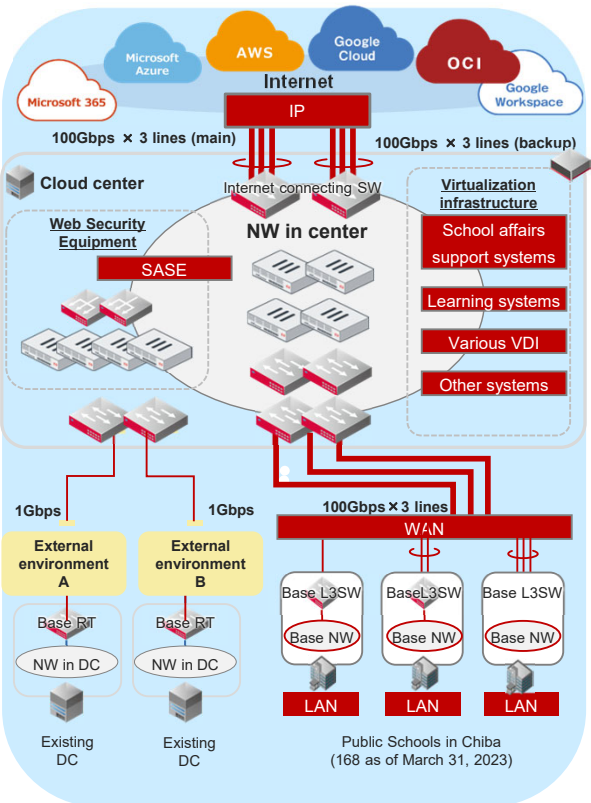


- Labor shortage requires more IT
- Every CEO says DX (Digital Transformation)
- Legacy NW and Systems to be reformed
- Internet traffic continues to increase
- Cyber security demands
- Cloud systems penetration
- Importance of stable operation of large-scale NW remains unchanged
- AI-enabled NW and systems transformation

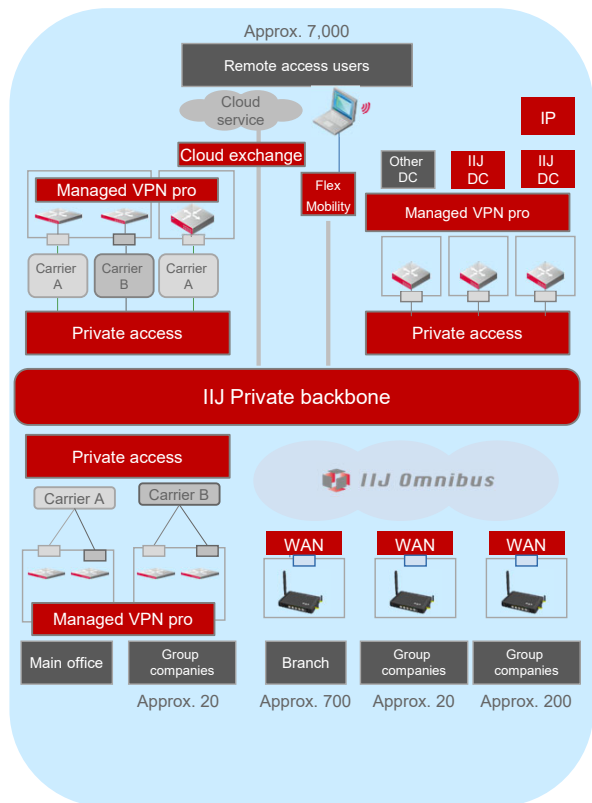
3 Driving Scalable Growth through Service Integration Model

◆ Typical transactions of Service Integration projects ■ Network Services ■ Network Integration

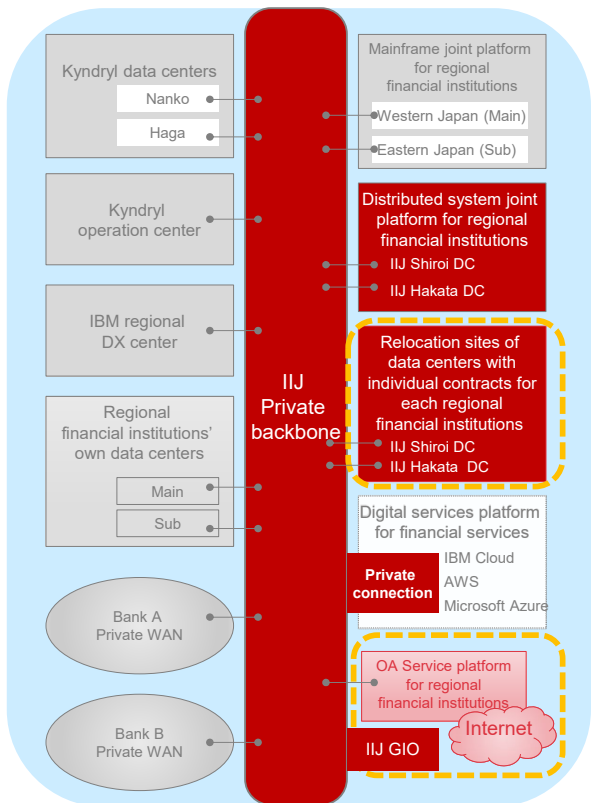
Educational Information NW for Chiba city



Total NW project for a prominent company group



Shared Banking System Platform



3 Recent Track Record of Large-scale Projects

Along with accumulation of large-scale projects & progress in revenue recognition, MRR is gradually increasing

Revenue recognitions of large-scale projects	1H23	2H23	1H24	2H24	1H25	2H25
One-time revenue	Approx. ¥0.4 bn	Approx. ¥5.0 bn	Approx. ¥2.3 bn	Approx. ¥7.7 bn	Approx. ¥2.8 bn	Approx. ¥6.9 bn
MMR revenue	Approx. ¥1.4 bn	Approx. ¥1.7 bn	Approx. ¥2.3 bn	Approx. ¥4.5 bn	Approx. ¥6.6 bn	Approx. ¥7.9 bn

Revenue recognition category

- NW service
- SI
- Win this time

<p>Educational information network for Chiba city ¥12.3 bn, 5 yrs NW service, SI construction, SI O/M</p>	<p>Construction & operation for service infrastructure for enterprise ¥4.0 bn, 5 yrs NW service, SI construction, SI O/M</p>	<p>The first project of the new shared banking system platform for regional banks ¥6.0 bn, 8 yrs NW service Revenue recognition from 3Q24</p>	<p>NW infrastructure renewal for real estate company ¥3.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 1Q25</p>	<p>GIGA School Infrastructure renewal for Ehime Prefecture ¥1.0 bn, 6 yrs SI construction, SI O/M Revenue recognition from 2Q26</p>	<p>NW system construction & O/M for public institution ¥1.5 bn, 6 yrs SI Construction, O/M Revenue recognition from 3Q26</p>
<p>Next generation research platform for private university ¥1.0 bn, 5 yrs SI construction, SI O/M</p>	<p>Large-scale IT infrastructure installment project ¥1.0 bn SI construction</p>	<p>Security enhancement for manufacturer ¥1.0 bn, 3 yrs NW service Revenue recognition from 2Q24</p>	<p>Remote access environment for construction company ¥2.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 2Q25</p>	<p>Sales system renewal for service provider ¥1.0 bn SI construction Revenue recognition from 4Q25</p>	<p>System construction for government agency ¥1.0 bn, 3 yrs SI Construction, SI O/M Revenue recognition from 4Q26</p>
<p>Integrated operation system for public sector organization ¥3.0 bn, 5 yrs NW service, SI construction, SI O/M</p>	<p>Large-scale NW renewal for manufacturer ¥3.0 bn, 5 yrs SI construction</p>	<p>Sales system renewal for service provider ¥2.0 bn, 2 yrs NW service, SI O/M Revenue recognition from 2Q24</p>	<p>Business operation environment for public institution ¥2.0 bn, 3 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q25</p>	<p>Security enhancement for financial institution ¥1.0 bn, 5 yrs NW service Revenue recognition from 2Q25</p>	<p>Security enhancement for manufacturer ¥1.0 bn, 3 yrs SI O/M Revenue recognition from 4Q25</p>
<p>Enhancement of security for carrier ¥1.5 bn, 5 yrs SI construction, SI O/M</p>	<p>Large-scale NW renewal for prominent financial institution ¥4.0 bn, 8 yrs NW service, SI construction, SI O/M</p>	<p>Remote access implementation for manufacturer ¥3.0 bn, 5 yrs NW service Revenue recognition from 3Q24</p>	<p>Remote work environment development for public sector organization ¥1.0 bn SI construction Revenue recognition from 2Q24</p>	<p>Email infrastructure operations for ISP ¥1.5 bn, 2 yrs NW service, SI construction, SI O/M Revenue recognition from 4Q25</p>	<p>Virtualization platform construction & O/M for public institution ¥1.0 bn, 6 yrs NW service, SI Construction, SI O/M Revenue recognition from 3Q26</p>
<p>Next generation NW renewal for system integrator ¥1.0 bn, 5 yrs NW service</p>	<p>Large-scale server construction for AI infrastructure ¥3.0 bn, 3 yrs SI construction, SI O/M</p>	<p>Research platform renewal for private educational institution ¥2.0 bn, 4 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q24</p>	<p>ICT infrastructure for public institution ¥3.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 4Q24</p>	<p>NW system construction & O/M for public sector institution ¥16.0 bn, 18 yrs NW service, SI construction, SI O/M Revenue recognition from FY29</p>	<p>NW system construction & O/M for public sector institution (additional) ¥2.5 bn, 18 yrs NW Service, SI Construction, SI O/M Revenue recognition from FY29</p>
		<p>Office IT installation for public sector organization ¥1.0 bn, 3 yrs NW service Revenue recognition from 2Q24</p>	<p>The second project of the new shared banking system platform for regional banks ¥11.0 bn, 8 yrs NW service, SI O/M Revenue recognition from 4Q24</p>	<p>Global NW for Japanese megabank ¥5.5 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 2Q25</p>	<p>NW system construction & O/M for public institution ¥4.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q26</p>
		<p>Information infrastructure system for public sector organization ¥3.0 bn, 4 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q24</p>	<p>Introduction of a service system for a public institution ¥1.0 bn, 5 yrs SI construction, SI O/M Revenue recognition from 4Q24</p>	<p>Infrastructure for education service ¥1.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 1Q25</p>	<p>GPU infrastructure construction (PTC) ¥12.0 bn, 5 yrs SI construction, SI O/M Revenue recognized from 2Q26</p>
			<p>System infrastructure construction for a public institution ¥4.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q24</p>	<p>Business operation environment for public institution ¥1.0 bn, 3 yrs NW service, SI construction, SI O/M Revenue recognition from 2Q25</p>	<p>Security enhancement for manufacturer ¥2.0 bn, 5 yrs SI construction, SI O/M Revenue recognition from 4Q25</p>

• Service Integration: System integration incorporating our in-house developed network service portfolio. With large-scale network renewals within customers' organizations, business opportunities and proposal scope have expanded significantly. For details, please refer to "Timing of revenue recognition for large-scale complex flagship projects" in the past financial results presentation materials
 • There were errors in the aggregation and presentation of one-time and monthly revenues from large-scale projects for 3Q25 (three months), as shown on this page and in the disclosure dated Feb. 6, 2026. The figures were incorrectly stated as approx. ¥5.7 bn for one-time revenue and approx. ¥5.9 bn for MRR, whereas the correct figures are approx. ¥2.8 bn for one-time revenue and approx. ¥3.4 bn for monthly revenue. The revenue for 2H25 figures on this page reflected this correction. There were no misstatements in the revenues disclosed on Feb. 6, 2026 for 3Q25 (three months) with respect to system construction (one-time), O/M (monthly), and NW services (monthly).
 • Corrected revenues of winning large-scale projects amount over ¥1.0 bn since FY22.

Perspective	Our Initiatives
Ongoing	<ul style="list-style-type: none"> ➤ Pursue large-scale Service Integration projects as many as possible to steadily accumulate MRR ➤ Enhance existing network services features to strengthen cross-selling and accelerate MRR growth ➤ Restructured the sales organization to focus on MRR accumulation, especially in the small to medium enterprises segment ➤ Continuously adjust pricing of network services on per-service basis, considering market prices and cost condition <ul style="list-style-type: none"> • At the beginning of 3Q24, price revisions for a range of NW services were implemented • At the beginning of 1Q26, price revisions for partial NW services have been implemented <p>It is expected to add slightly less than ¥0.8 bn in revenue in FY26</p>
Middle-term	<ul style="list-style-type: none"> ➤ Advance the current network services strategy to enhance economies of scale and expand service offerings continuously by launching new value-added services ➤ Further strengthen cybersecurity capabilities ➤ Leverage our own network infrastructure to deliver industry-optimized platforms ➤ Large-scale IT outsourcing transactions enhance our value proposition ➤ Should absorb inflation-driven cost increases in the ordinary course of business operation, and benefit from further economies of scale ➤ Accelerate our strategy with AI: Capture maximum benefits as a network services provider <ul style="list-style-type: none"> • Apply AI to our NW system platform and create added value for our customers over the medium-to-long term • Improve productivity through company-wide AI adoption to ease human-capital bottlenecks • Provide AI platform solutions for customers through SI implementation and operations

Business Environment

- Changes & expansion of corporate NW/system
- Continuous expansion of Internet traffic
- Expansion of IT department coverage areas & the digitalization of business units



- Rising cybersecurity threats
- Growing importance of NW/system operations
- Shortage of professional NW/system engineers

- Progress in AI utilization
- Increasing demand for DC & operation
- Advancement of data utilization



- Growth of foreign cloud & SaaS providers
- Consolidation, and shift toward service-based model among domestic SIs

IIJ Group's Competitive Advantages

- Operation of Japan's one of the largest Internet backbone & NW/system, common cost model
- Internet security capability
- Construction & operation of own DCs



- 16,000 customers, primarily large corporations
- Stable, long-standing recurring revenue transaction

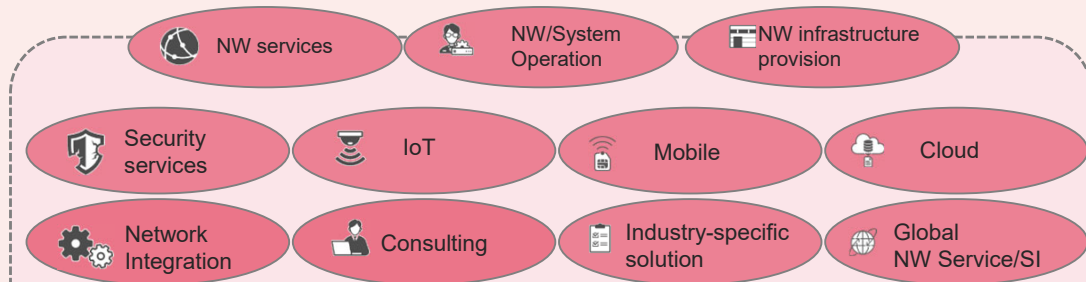
- Over 2,000 highly skilled Internet-related NW engineers
- Highly reliable operation capabilities



- Diverse in-house developed NW services
- Providing managed services that integrate NI & third-party solutions
- A consultative, proposal-based sales team

A Business Model Under Ongoing Expansion

Shifting from NI & individual service/product delivery to an integrated service offering



Network and system infrastructure operations as our business and technology foundation

Capturing Business Opportunities by Service Integration

Larger MRR and Deeper Transactions

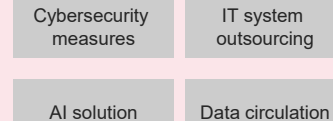
Trend in total contract value of secured large-scale projects (¥ bn)



Expansion of Target Domains



Areas for Further Functional Expansion

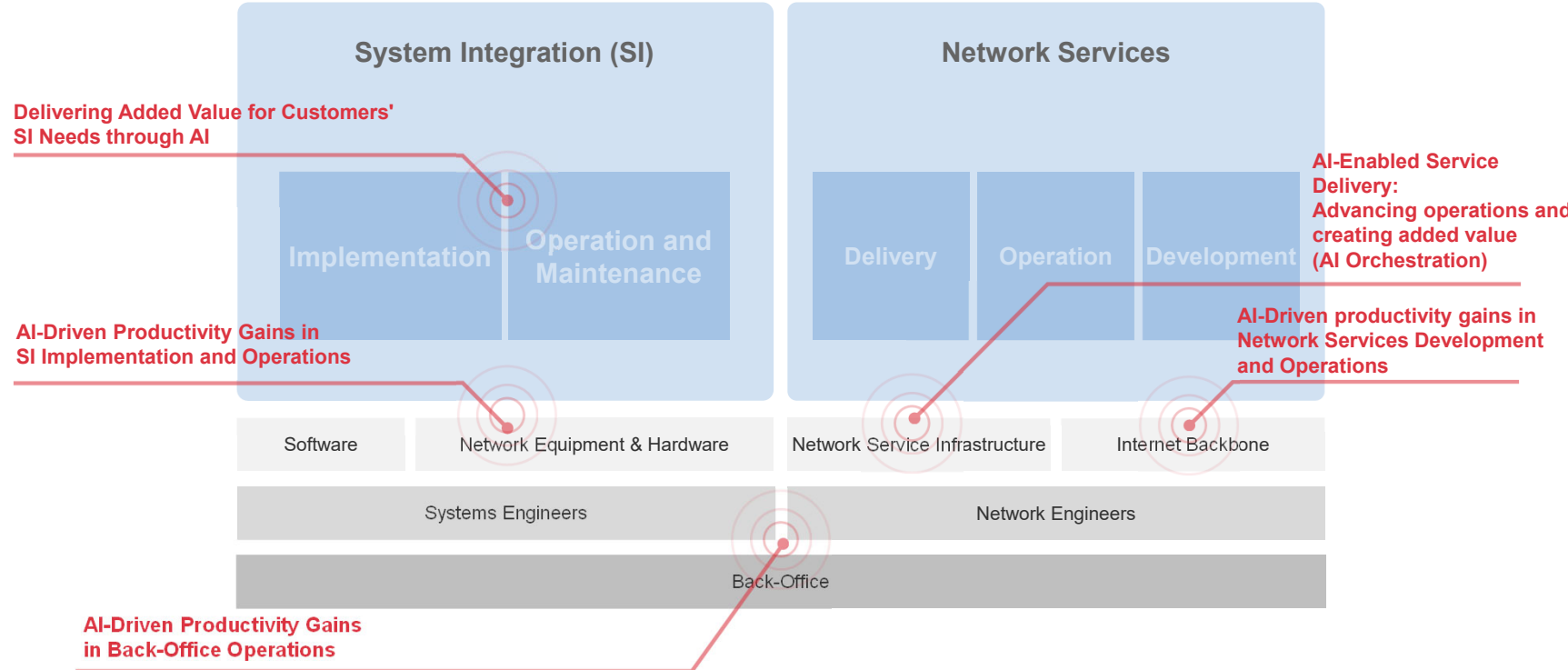


- Service Integration: Provide in-house developed NW services with SI, Greater opportunities & proposal areas along with internal large-scale NW renewals, etc.
- Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

5 Advancing IIJ's Offering Model with AI

As a network services provider, IIJ aims to create added value through AI-native service offerings and capture the transformative benefits of AI

Target about 30% of the company-wide works to be replaced by AI by the end of FY2029



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IIJ has been taking initiatives in Internet Infrastructure field in Japan

Established	December 1992 (The first established full-scale ISP in Japan)
Number of Employees	5,533 (approx. 70% engineers)
Large Shareholders	NTT Group, KDDI, Oasis Management Company, ITOCHU Techno-Solutions (CTC), Koichi Suzuki

◆ The first established full-scale ISP (Internet Service Provider) in Japan

- ✓ Introduce many in-house developed Internet-related network services
- ✓ Highly skilled IP (Internet Protocol) engineers from the inception
- ✓ Operate one of the largest Internet backbone networks in Japan

Approx. 80% recurring revenue
Stable and Scalable Business Foundation

◆ Well recognized “IIJ” brand among Japanese blue-chip companies’ IT division

- ✓ Differentiate by reliability and quality of network and systems operation
- ✓ Long-term (approx. 30 yrs) client relationship since the establishment of IIJ

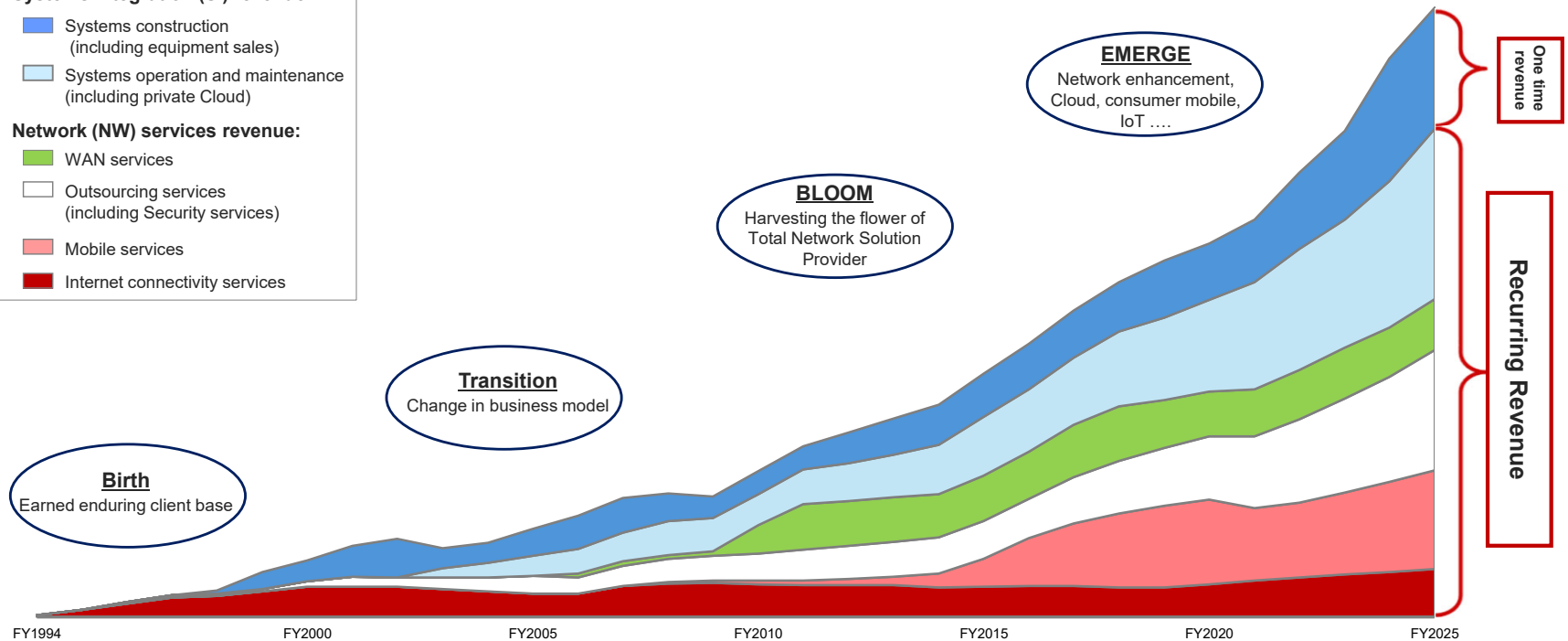
◆ Development of innovative Internet-related services

- ✓ Differentiate by continuous network service developments and business investments
- ✓ Focus on Cloud, mobile, security, solutions related to Big Data, IoT and data governance
- ✓ Always ahead of telecom carriers and systems integrators (Slers) with regards to services development and operation

• Number of employees (consolidated basis) and large shareholders are as of Mar. 31, 2026
• Based on filings by Oasis Management Company as of May 13, 2026, its ownership is 8.04%

From ISP to Total Network Solution Provider

- Systems Integration (SI) revenue:**
- Systems construction (including equipment sales)
 - Systems operation and maintenance (including private Cloud)
- Network (NW) services revenue:**
- WAN services
 - Outsourcing services (including Security services)
 - Mobile services
 - Internet connectivity services



Birth
Earned enduring client base

Transition
Change in business model

BLOOM
Harvesting the flower of Total Network Solution Provider

EMERGE
Network enhancement, Cloud, consumer mobile, IoT ...

One time revenue

Recurring Revenue

Increase in number of ISPs in Japan
IJJ launched Internet connectivity services in 1993 (NTT in 1996)

Price war and market consolidation for ISPs in Japan
IJJ shifted its focus to large corporates, survived the tough competition, and established market position

Gradual cloud migration
Launched Cloud services in 2009

Birth of the Low-Cost SIM Market
Launched consumer mobile services in 2012

DX triggered by the Pandemic
Rapid Expansion in Demand for Remote Access Services, etc.

Advancement of DX in post-pandemic era
Shift to Network-Centric Architectures

Total Network Solution Provider with Extensive Service Lineup

Unit: ¥ (JPY) billion (bn)

About
IIJ

Revenue category		FY25 revenue	YoY growth	Cost Structure	Gross Margin	About	Business situation, growth drivers and outlook																								
Network services	Internet connectivity services for enterprise	53.89	+10.0%	Mostly common costs	27.1%	<table border="1"> <tr> <td>IP (Internet Protocol)</td> <td>18.64</td> <td>+7.6%</td> <td> <ul style="list-style-type: none"> IIJ's flagship service since the inception Highly reliable dedicated connectivity services with multi-carrier redundancy Bandwidth-based contracts driving scalable revenue growth </td> </tr> <tr> <td>Mobile</td> <td>30.17</td> <td>Enterprise mobile</td> <td>18.20</td> <td>+17.6%</td> <td>Provide data connectivity for mainly IoT usages</td> </tr> <tr> <td></td> <td></td> <td>MVNE</td> <td>11.98</td> <td>+5.2%</td> <td>Provide mobile services for other MVNOs</td> </tr> <tr> <td colspan="6">(Others) Broadband Internet services, etc.</td> </tr> </table>	IP (Internet Protocol)	18.64	+7.6%	<ul style="list-style-type: none"> IIJ's flagship service since the inception Highly reliable dedicated connectivity services with multi-carrier redundancy Bandwidth-based contracts driving scalable revenue growth 	Mobile	30.17	Enterprise mobile	18.20	+17.6%	Provide data connectivity for mainly IoT usages			MVNE	11.98	+5.2%	Provide mobile services for other MVNOs	(Others) Broadband Internet services, etc.						<table border="1"> <tr> <td>IP</td> <td> <ul style="list-style-type: none"> Matured market (hard to entry) Very low churn rate, loyal clients for over 30 years Expect Internet traffic volume to continuously increase along with cloud penetration, CDN, SaaS, DX, etc. </td> </tr> </table>	IP	<ul style="list-style-type: none"> Matured market (hard to entry) Very low churn rate, loyal clients for over 30 years Expect Internet traffic volume to continuously increase along with cloud penetration, CDN, SaaS, DX, etc.
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Internet connectivity services for consumers	28.67	+6.9%	Mobile	<ul style="list-style-type: none"> Unified mobile infrastructure for enterprise, MVNE and consumer Traffic management strategy Current infrastructure provisioning based on peak consumer traffic patterns. Peak demand concentrated during commuting hours and lunchtime Leading market share in Japan's consumer MVNO segment 																											
Outsourcing	67.62	+14.3%	Mobile	<ul style="list-style-type: none"> Provide SIM with monthly data limits (voice as option) 	<ul style="list-style-type: none"> Have been developing services based on the Zero Trust concept Drive enterprise growth through cross-selling Ongoing service development is key Security demand is expected to remain strong 																										
WAN (Wide Area Network)	28.55	+3.4%	Security	<ul style="list-style-type: none"> Managed security services, Security Operation Center services and so many more 	<ul style="list-style-type: none"> Stable market Positioned as a cross-selling element 																										
			Various in-house developed Internet-related service line-ups (Others) NW monitoring, VPN services, public cloud services, and many more																												
SI	Operation and Maintenance	95.77	+16.0%	Cost plus	16.1%	<table border="1"> <tr> <td>On-premise Systems</td> <td>58.87</td> <td>+21.3%</td> <td> <ul style="list-style-type: none"> Operation and maintenance of deployed systems </td> </tr> <tr> <td>Private Cloud, etc.</td> <td>36.90</td> <td>+8.5%</td> <td> <ul style="list-style-type: none"> Promote cloud migration with robust, reliable and value-driven capabilities </td> </tr> </table>	On-premise Systems	58.87	+21.3%	<ul style="list-style-type: none"> Operation and maintenance of deployed systems 	Private Cloud, etc.	36.90	+8.5%	<ul style="list-style-type: none"> Promote cloud migration with robust, reliable and value-driven capabilities 	<ul style="list-style-type: none"> Strong mid-to-long business opportunity driven by cloud migration of internal IT systems Revenue expected to grow steadily as construction projects accumulate 																
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	Private Cloud, etc.	36.90	+8.5%			<ul style="list-style-type: none"> Promote cloud migration with robust, reliable and value-driven capabilities 																									
Construction (including equipment sales)	67.87	-1.3%	<ul style="list-style-type: none"> Primarily network integration projects, including server setup 	<ul style="list-style-type: none"> Securing large-scale projects as Japanese enterprises shift to network-based systems requiring integrated network functions 																											

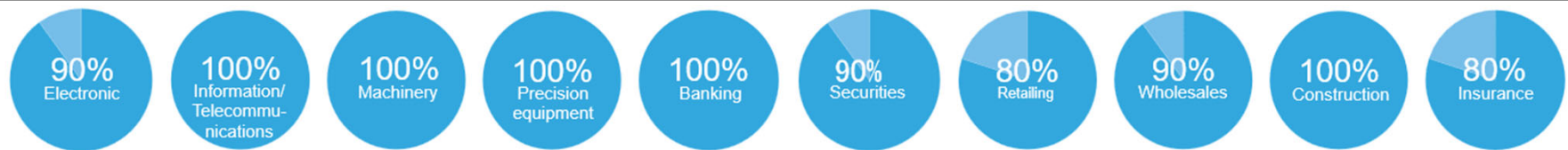
Recurring revenue
80%

One time revenue

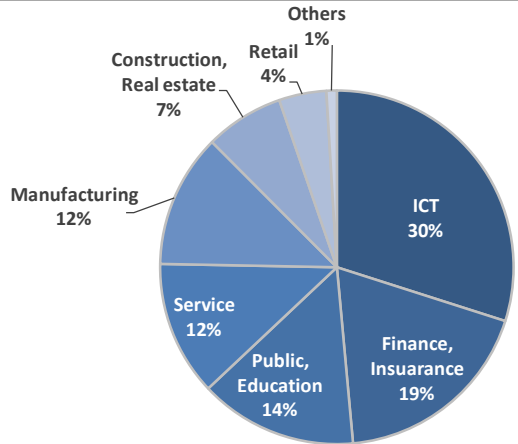
Extensive Client Base

- ◆ Number of IJ Group's clients: approx. 16,000 as of March 31, 2026
- ◆ Through reliable operation, continuous use of Internet connectivity services since the inception of IJ
- ◆ Our reliable infrastructure operation and cross-sell strategy have led to low churn rate

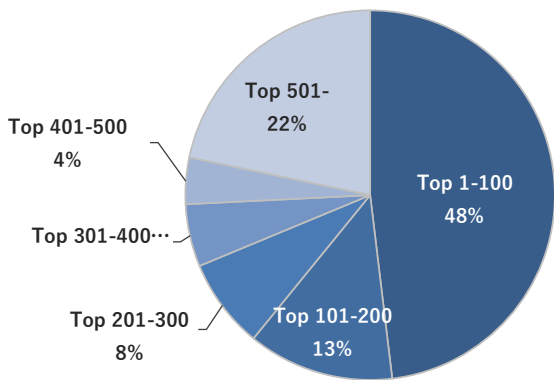
Cover Most of Top Revenue Companies



Client Distribution by Industry



Client Distribution by Revenue Volume



• Top ten firms in each industry taken from annual revenues are selected by IJ based on the Yahoo! Japan Finance website (finance/sales/whole market/daily)
 • The service penetration and the revenue distributions are based on IJ's FY25

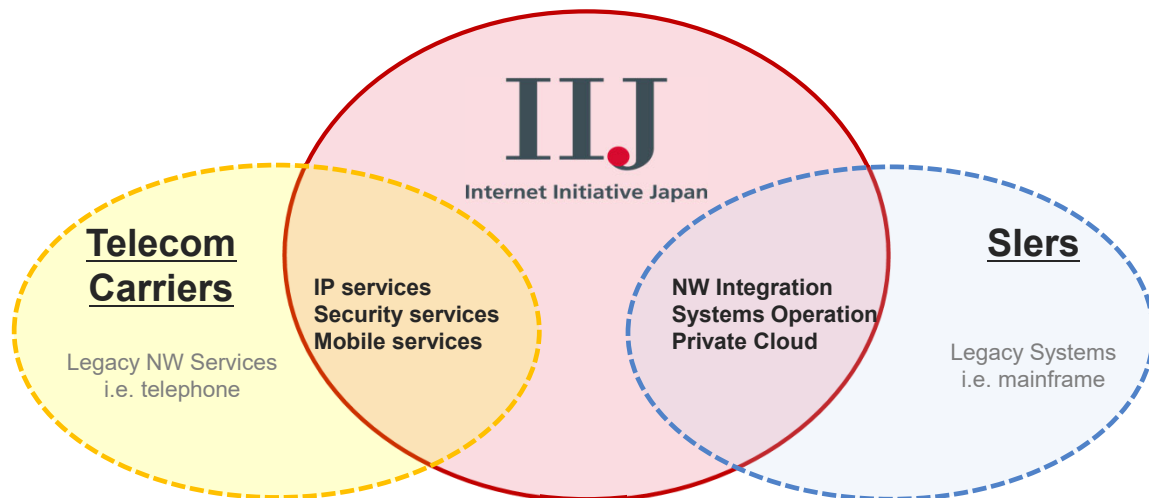
Competitive Advantages

Differentiation from telecom carriers

- Deep expertise in IP (Internet Protocol) technologies
- Fast and flexible operations
- Strong focus on blue-chip clients through tailored SI

Differentiation from systems integrators (Slers)

- Operates one of Japan's largest Internet backbones
- Owns and develops network service platforms
- Specializes in open, internet-centric systems



**IJ focuses on modern IT ~specializing in scalable, next generation systems ~
(Not involved in legacy – heavy systems)**

Management structure (Planned as of June 30, 2026)

Ratio of female directors
and auditors
28.6%

Ratio of outside directors
50.0%

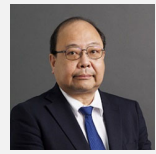
About
IIJ

Board of Directors (10 members)

Koichi Suzuki
Representative
Director,
Chairman,
Executive Officer,
Co-CEO



Yasuhiko Taniwaki
Representative
Director,
President,
Executive Officer,
Co-CEO & COO



**Koichi
Kitamura**
Vice President
Executive Officer

**Akihisa
Watai**
Vice President
Executive Officer
CFO

**Junichi
Shimagami**
Vice President
Executive Officer
CTO

Outside Directors (50.0%, 5 out of 10)

**Takashi
Tsukamoto**
(since 2017)
Former Chairman
of
Mizuho Financial
Group, Inc.
Former President
and CEO of
Mizuho Bank, Ltd.
Independent

**Kazuo
Tsukuda**
(since 2020)
Former Chairman
and
Representative
Director of
Mitsubishi Heavy
Industries, Ltd.
Independent

**Yoichiro
Iwama**
(since 2021)
Former President
and
Representative
Director of Tokio
Marine Asset
Management Co.,
Ltd.
Independent

**Atsushi
Okamoto**
(since 2022)
Former President
and CEO of
Iwanami Shoten,
Publishers
Independent

**Kaori
Tonosu**
(since 2022)
Former Board
Member of
Deloitte Touche
Tohmatsu LLC
Independent
Female

Board of Company Auditors (4 members)

Masayoshi Tobita

Masako Tanaka
Female

Outside Auditors

Shio Harada
Attorney at law
Female

Kumiko Aso
CPA
Female

About President Taniwaki (Since Apr. 2025)

- ◆ Joined MIC in 1984 and led major telecom reforms including NTT's restructuring and mobile policy initiatives. Served as Vice-Minister for Policy Coordination in 2019, promoting lower mobile charges. Joined IIJ in 2022 as Executive VP, driving growth in cybersecurity and digital transformation.

Director Compensation

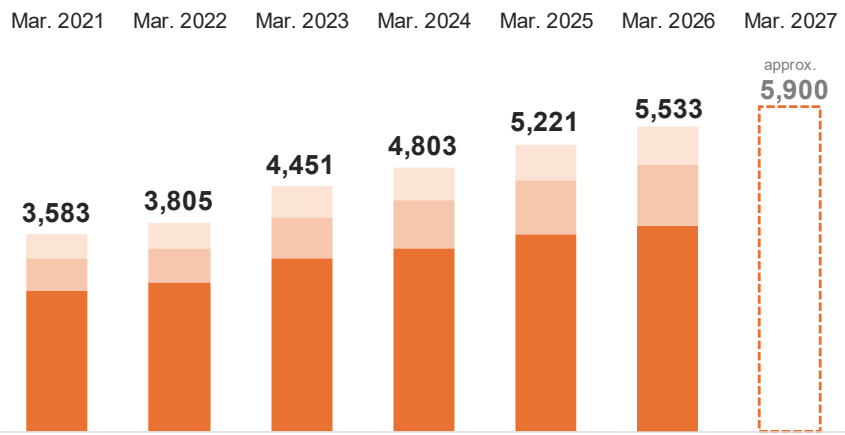
- ◆ Revamped the director compensation system in FY24. Restricted stock-based compensation is linked to both annual performance and the Mid-term Plan. With regard to Mid-term Plan-linked compensation, the directors are evaluated mainly based on financial performance (revenue, operating profit, and segment performance overseen by each director), engagement metrics (including employee satisfaction), ROE (19%), sustainability targets.

IIJ's Business Philosophy

- ◆ **To develop network infrastructure through technological innovation**
We are committed to the ongoing pursuit of initiatives in the field of Internet technology to open the future of the digital society through new value created by ever faster networks and computing.
- ◆ **To provide solutions (IT services) that supports a networked society**
We continuously develop and introduce highly reliable and value-added IT services that anticipate changes taking place around the world, to support the use of networks by society and individuals.
- ◆ **To provide meaningful opportunities for growth to our employees (a place where human resources with diversified talents and values can play an active role)**
We aim to offer meaningful working opportunities for growth through business, in which our staff can take a proactive approach to technical innovation and social contribution and actively demonstrate their abilities with pride and a sense of satisfaction. We aspire to be a company where employees are never satisfied with the status quo, and are always thinking about the future world, contributing to social development, and achieving personal growth through work that has value for society.

Human Capital

Total Number of Employees (consolidated)



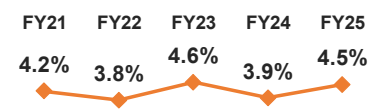
Engineers
approx. **70%**

Average age
37.5

Average Yearly Salary
JPY **7,472** thousand

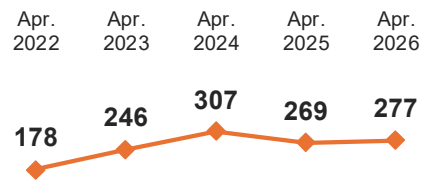
Ratio of female recruitment
26.2% (FY25)

Turnover Rate (IJ)



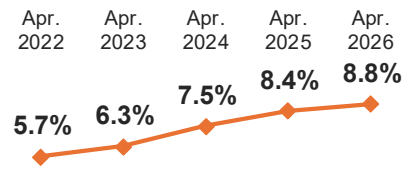
Low employee turnover driven by diverse experiences and high employee satisfaction

Number of New Graduates (consolidated)



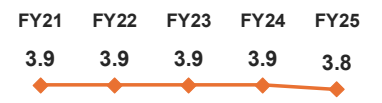
Continuously hire and train new graduates who are drawn to IJ as Japan's first full-scale ISP

Female Managers Ratio (IJ)



Achieved FY24 and FY25 targets a year in advance
(Initial targets: FY24 over 6%, FY25 over 8%)

Employee Satisfaction (IJ)

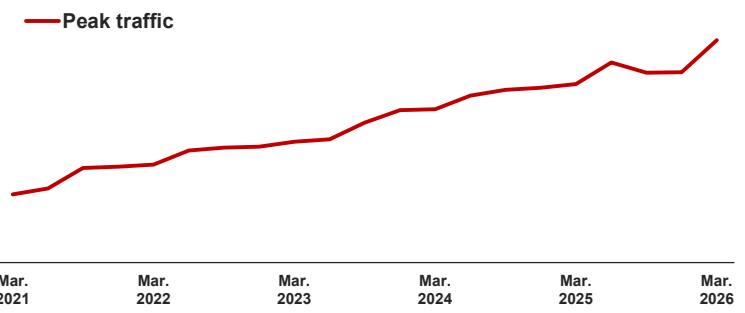


Employee survey indicates high overall satisfaction level
(out of 5)

- We added 62 personnel through PTC consolidation (Apr. 2021)
- Average age and average yearly salary are as of Mar. 31, 2026.
- Female manager ratio is IJ (non-consolidated basis). Turnover rate of IJ (non-consolidated basis) and calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare
- Employee satisfaction is according to the Employee Survey which is an annual engagement survey (approximately 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."

Market Environment

Historical traffic data of major domestic IX



Source: INTERNET MULTIFEED CO., IX = Internet Exchange

SIM type MVNO market share in Japan

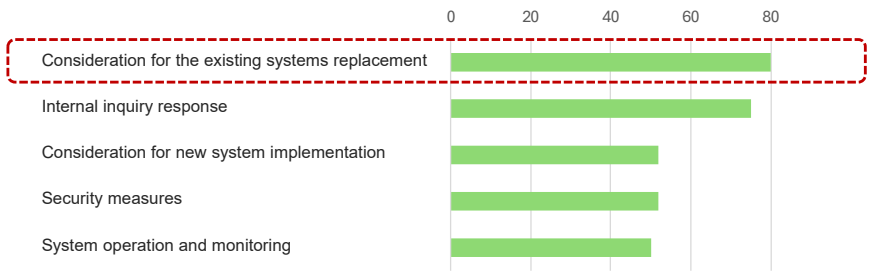
◆ Maintain top share in the domestic SIM-type MVNO market

	Mar. 31, 2024		Mar. 31, 2025		Sep. 30, 2025	
1st	IJ	21.6%	IJ	23.3%	IJ	24.2%
2nd	NTT DOCOMO	9.7%	Optage	8.1%	Optage	8.1%
3rd	Optage	8.7%	NTT DOCOMO	7.1%	NTT DOCOMO	6.4%
4th	Fujitsu	5.6%	NTT DOCOMO Business	4.9%	NTT DOCOMO Business	5.1%
5th	Aeon Retail	4.7%	Fujitsu	4.6%	Fujitsu	4.5%

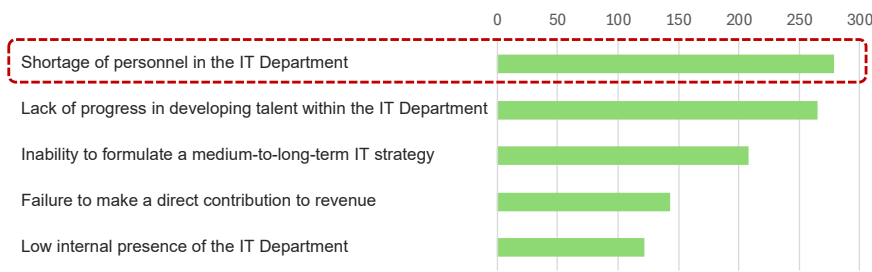
- Source: The Ministry of Internal Affairs and Communications
- NTT DOCOMO's figures as of Mar. 31, 2024 was formerly NTT Resonant's one
- NTT DOCOMO Business figures as of March 31, 2025 are based on NTT Communications prior to the name change

Nationwide survey on IT department 2025

◆ Operation where IT department spends the most time



◆ Challenges for IT department



Source: Internet Initiative Japan "Nationwide survey on IT department 2025," Questionnaire conducted by IJ since 2021 targeting IT departments of companies, etc.

Financial Information

Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

May 2026

Disclaimer

Statements made in this presentation regarding IIJ's or managements' intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues, operating and net profitability are subject to various risks, uncertainties and other factors that could cause IIJ's actual results to differ materially from those contained in any forward-looking statement.

Outline

- | | |
|--------------------------------------|-------------------|
| 1. Business Status Updates | P. 2 – 9 |
| 2. About IIJ | P. 10 – 18 |
| 3. Financial Information | P. 19 – 44 |
| 4. Supplemental Business Information | P. 45 – 66 |

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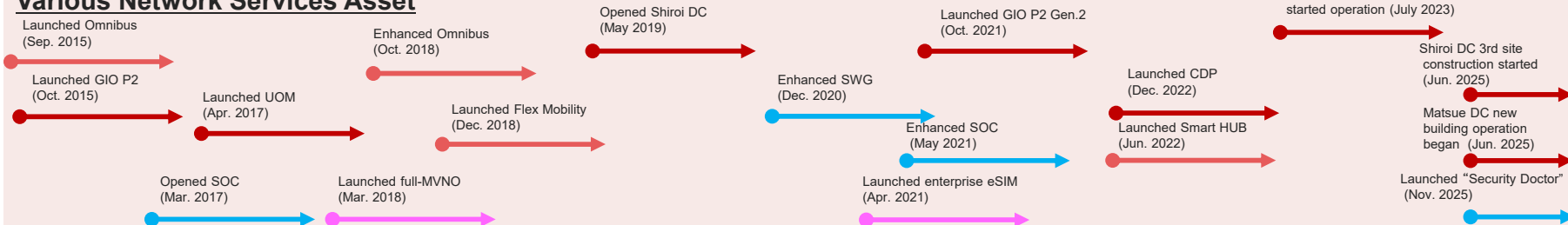
Financial Performance

Financial Information

Unit: ¥ (JPY) billion (bn)

		FY21	FY22	FY23	FY24	FY25
Total Revenue		226.3	252.7	276.1	316.8	345.4
	YoY	+6.3%	+11.7%	+9.2%	+14.8%	+9.0%
NW services		128.2	138.9	151.3	162.6	178.7
	YoY	+1.1%	+8.4%	+8.9%	+7.4%	+9.9%
NW services (excl. Mobile services)		87.5	96.6	105.2	112.3	123.3
	YoY	+10.3%	+10.5%	+8.9%	+6.7%	+9.8%
Mobile services		40.7	42.3	46.1	50.3	55.5
	YoY	(14.3%)	+3.8%	+9.1%	+9.0%	+10.3%
SI		95.3	110.9	121.8	151.3	163.6
	YoY	+14.5%	+16.4%	+9.8%	+24.2%	+8.2%
Operating Profit		23.5	27.2	29.0	30.1	34.8
	YoY	+65.3%	+15.6%	+6.6%	+3.7%	+15.7%
Operating Margin		10.4%	10.8%	10.5%	9.5%	10.1%
Net Profit		15.7	18.9	19.8	19.9	24.2
	YoY	+61.4%	+20.3%	+5.2%	+0.5%	+21.3%
ROE		16.2%	17.0%	16.3%	15.0%	16.2%
NW service gross margin		27.8%	27.5%	28.7%	27.8%	27.1%
SI gross margin		15.7%	16.7%	15.6%	14.4%	16.1%
CAPEX		16.1	20.8	22.5	26.3	32.2
NW services, etc.		9.0	9.7	12.9	15.0	13.6
Shiroy, Matsue DCs		1.6	5.6	5.7	4.7	11.6
Cloud		2.3	2.0	1.5	2.0	3.4
SI, others		3.2	3.5	2.4	4.6	3.6

Various Network Services Asset



FY25 Overview & Progress of the Current Mid-term Plan

Unit: JPY/¥ billion (bn), +%,
YoY = Year over year comparison
Net Profit is *Profit for the period attributable to owners of the parent*

Information

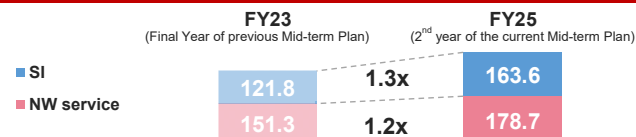
FY25 Overview

Large-scale Service Integration has become the norm, driving continued growth in recurring revenue. Toward accelerating medium-to-long term growth, expanding our existing business scope including the provision of NW system platforms leveraging our infrastructure and the expansion of overseas business

Revenue	¥345.4 bn	+9.0%	YoY
Operating profit	¥34.8 bn	+15.7%	YoY
Net profit	¥24.2 bn	+21.3%	YoY
Dividend per share (annual)	¥39.00	+¥4.00	YoY

Progress of the Current Mid-term Plan (FY24-26)

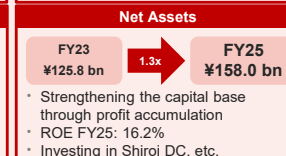
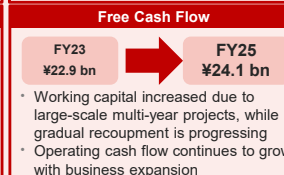
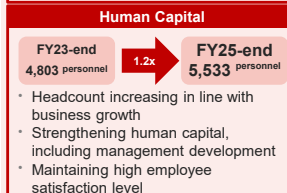
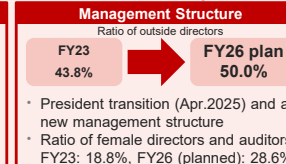
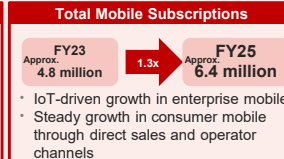
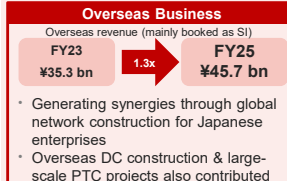
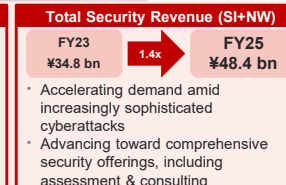
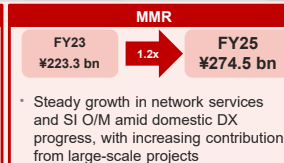
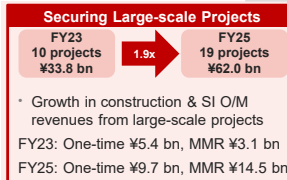
Accelerating business growth through the business scope expansion
Revenue exceeds the Mid-term targets, whereas OP remains below our expectations
Aiming to enhance profitability through economies of scale over the medium-to-long term



- NW Service**
- ◆ Focused on accumulation through the development of new services, enhancements to existing services, and the strengthening of sales organization
 - * FY25 Revenue: ¥178.7 bn +9.9% YoY, Gross profit/margin: ¥48.4 bn (+7.0% YoY), 27.1% (-0.7 points YoY)
 - ◆ NW services MRR continued to accumulate, yet fell shorts of expectation
 - ◆ Security service revenue continued to grow amid the increasingly sophisticated cyberattacks
FY25: ¥40.9 bn +13.8%

- SI**
- ◆ Strong demand continued such as for large-scale NW construction projects, SI O/M revenue largely grew
 - * Revenue: Construction ¥67.9 bn, -1.3% (Reactionary decline mainly due to the absence of FY24's single large project), O/M ¥95.8 bn, +16.0%
 - * Order received: Construction ¥84.0 bn, +38.1%, O/M ¥123.1 bn, +26.9%
 - * Order backlog: Construction ¥31.9 bn, +102.1%, O/M ¥127.0 bn, +27.4%
 - ◆ Gross margin improved driven by the SI O/M accumulation and SI revenue scale expansion
 - * FY25 Gross profit/margin: ¥26.3 bn (+20.9% YoY), 16.1% (+1.7 points YoY)
 - ◆ Securing large-scale projects* has become the new norm. Acquired two projects each exceeding ¥10.0 bn
 - * Number & total value of projects won in FY25: 19 projects, ¥62.0 bn, Revenues from large-scale projects* in FY25 One-time: ¥9.7 bn, MMR (including NW service): ¥14.5 bn
 - * Flagship projects: NW system construction & O/M for a government agency ¥16.0 bn (2Q25), its additional order ¥2.5 bn (4Q25), overseas GPU platform construction ¥12.0 bn (4Q25), etc.

- FY25 Topic**
- ◆ Expanding DC capacity to cover services revenue expansion
 - * Shirol DC's 3rd site construction commenced (Jun. 2025), Matsue DC system module buildings began operations (Jun. 2025)
 - ◆ Established "Sensiphia," a JV with Sony Semiconductor Solutions Corporations, derived from our IoT business. The company is to advance sensor offering business leveraging proprietary technologies for precise soil moisture measurement (Feb. 2026)
 - ◆ Steady increase in the number of employees. Maintained low turnover rate (FY25: 4.5%)
 - ◆ DeCurret DCP: Increasing commercialization projects by continued social adoption of tokenized deposit



* Implementation of NW Service price revision: Oct. 2024 in response to VMware with broader range, in Apr. 2026, for selected services
* Pursuing feasibility studies for data utilization businesses, including validation of cross-organizational data linking via "data spaces" (Apr. 2026)

*Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

Consolidated Financial Results

	% of revenue		YoY		% of revenue	
	FY25 Results Apr. 2025 - Mar. 2026	FY24 Results Apr. 2024 - Mar. 2025			FY25 Forecast (Announced in May 2025) Apr. 2025 - Mar. 2026	YoY
Revenues	345.40	316.83	+9.0%	+28.56	340.0	+7.3%
Cost of Revenues	^{77.9%} 269.23	^{78.4%} 248.43	+8.4%	+20.80	^{77.4%} 263.0	+5.9%
Gross Profit	^{22.1%} 76.17	^{21.6%} 68.40	+11.4%	+7.77	^{22.6%} 77.0	+12.6%
SG&A etc.	^{12.0%} 41.33	^{12.1%} 38.30	+7.9%	+3.03	^{11.9%} 40.5	+5.7%
Operating Profit	^{10.1%} 34.84	^{9.5%} 30.10	+15.7%	+4.73	^{10.7%} 36.5	+21.2%
Profit before tax	^{10.2%} 35.24	^{9.2%} 29.18	+20.8%	+6.06	^{9.9%} 33.7	+15.5%
Net Profit	^{7.0%} 24.19	^{6.3%} 19.93	+21.3%	+4.26	^{6.8%} 23.0	+15.4%

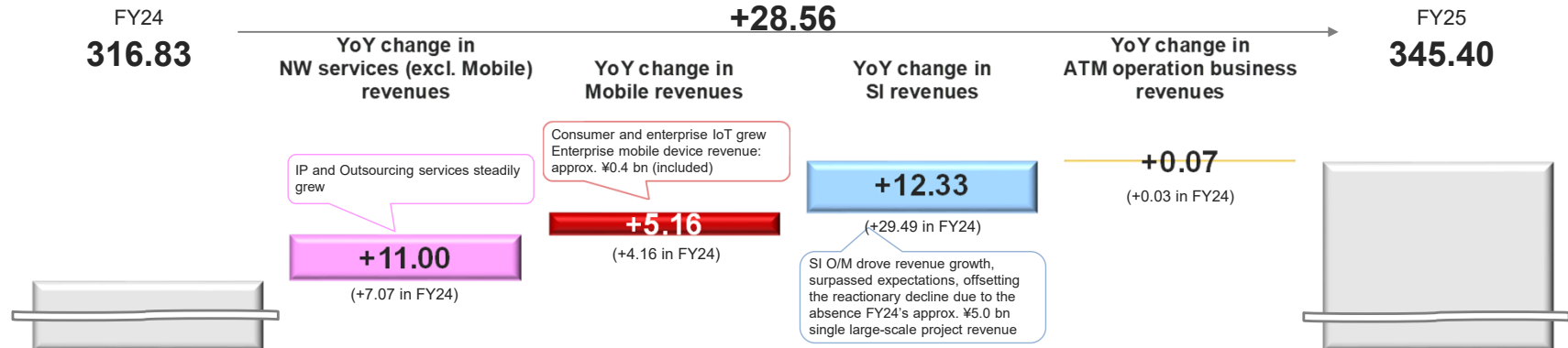
* SG&A etc. represents the sum of SG&A, which includes R&D expenses, and other income/expenses

Year over Year Analysis

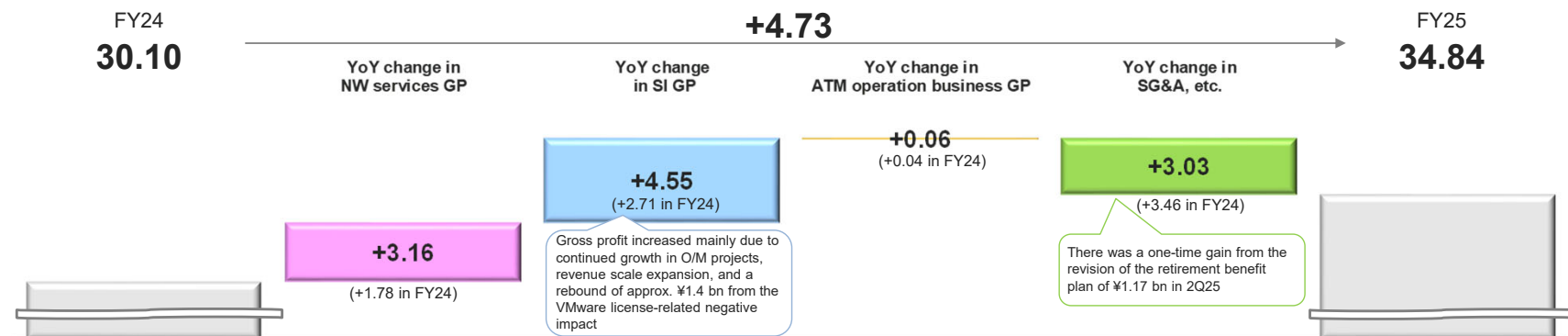
Unit: ¥ (JPY) billion (bn)
GP = Gross Profit
YoY = Year over year comparison

Financial Information

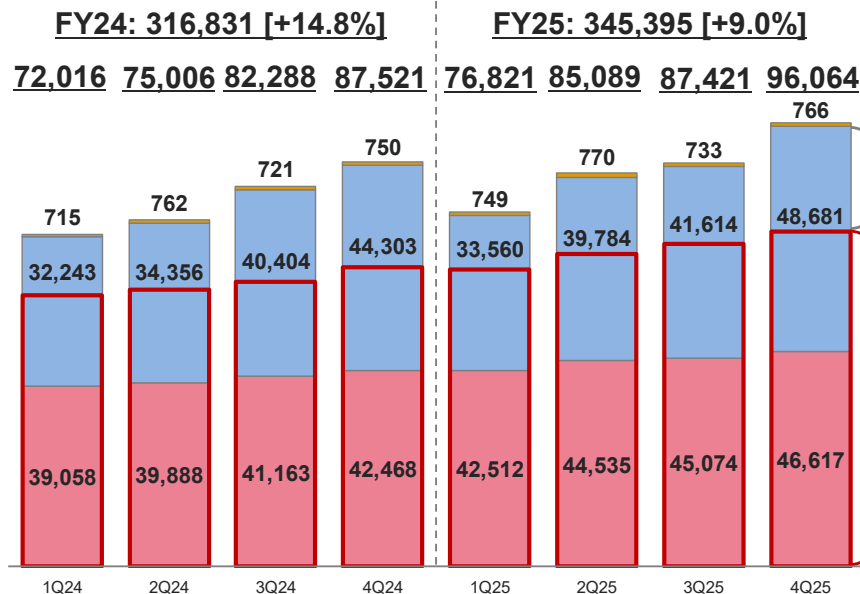
Revenues



Operating Profit



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)
- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses



One-time revenue
 FY25: ¥67.87 bn, -1.3% YoY (+37.8% YoY in FY24)
 19.7% of FY25 total revenue

Recurring revenue
 FY25: ¥274.51 bn, +12.0% YoY (+9.8% YoY in FY24)
 79.5% of FY25 total revenue

NW Services revenue (excluding Mobile Services)
 FY25: ¥123.28 bn, +9.8% YoY (+6.7% YoY in FY24)

Mobile Services revenue
 FY25: ¥55.46 bn, +10.3% YoY (+9.0% YoY in FY24)

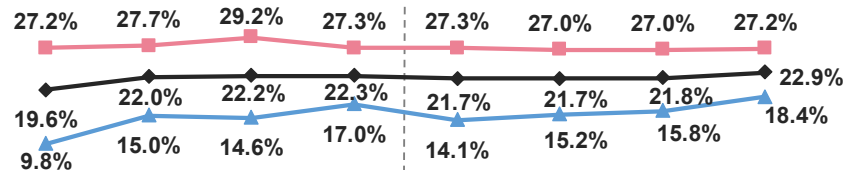
- One-time revenue, systems construction revenues which include equipment sales, is mainly recognized when systems and/or equipment are delivered and accepted by customers (Some revenues on a percentage-of-progress basis based on cost progression)
- Recurring revenue represents the following revenues: Internet Connectivity Services (Enterprise), Internet Connectivity Services (Consumer), Outsourcing Services, WAN Services, and Systems Operation and Maintenance
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

Cost of Revenues & Gross Margin

Unit: ¥ (JPY) million
 [], YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information

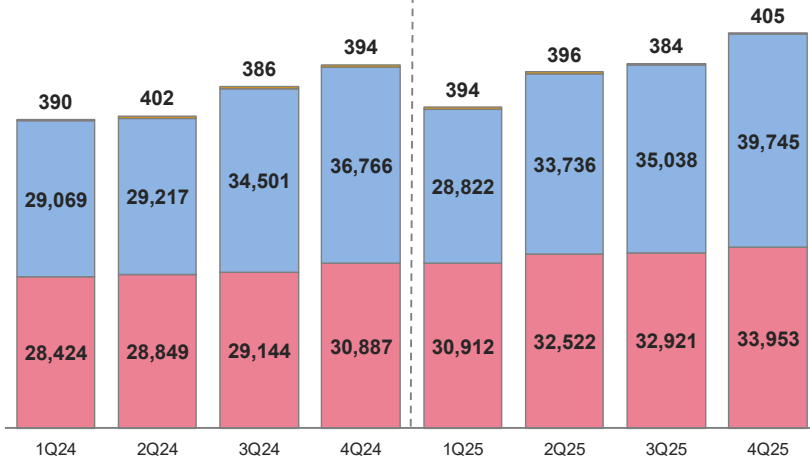
Gross margin: ■ NW (Network) Services ▲ SI (Systems Integration) ◆ Total
 Cost of revenues: ■ NW (Network) Services ■ SI (Systems Integration) ■ ATM Operation Business



FY24: 248,429 [+17.1%]

FY25: 269,228 [+8.4%]

57,883 58,468 64,031 68,047 60,128 66,654 68,343 74,103



◆ Total gross profit

➢ FY25: ¥76.17 bn, Gross margin 22.1% +¥7.77 bn, +11.4%YoY

◆ Gross profit for NW services

➢ FY25: ¥48.43 bn, Gross Margin 27.1% +¥3.16 bn, +7.0% YoY

- There was no one-time cost reimbursement in 3Q25 related to mobile data interconnectivity charge that had occurred in prior years
- At the beginning of 3Q24, price revision for certain NW services was implemented. At the beginning of 1Q26, price revisions for partial NW services has been implemented (slightly less than ¥0.8 bn positive impact on annual revenue)
- Fixed-type costs such as maintenance fee, outsourcing and personnel-related costs have been on an upward trend

◆ Gross profit for SI

➢ FY25: ¥26.30 bn, Gross Margin 16.1% +¥4.55 bn, +20.9% YoY

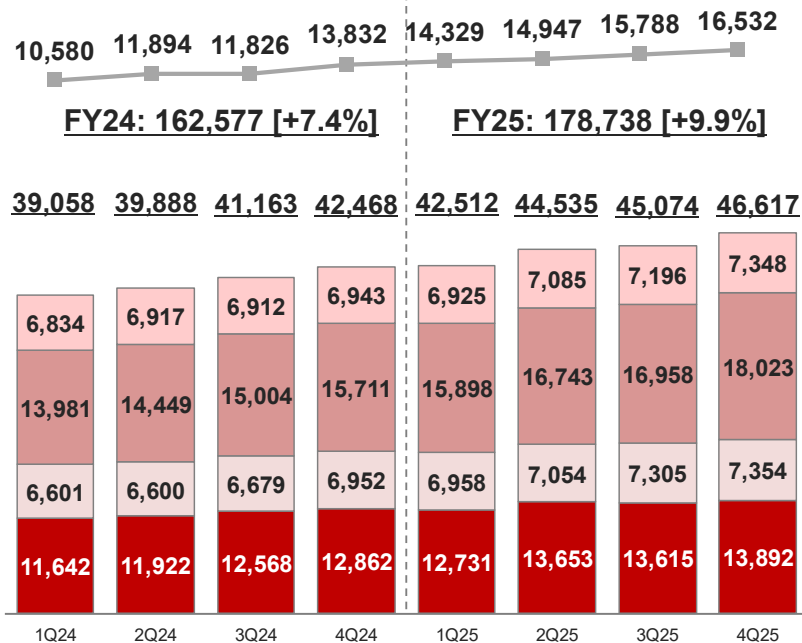
- Gross margin improved YoY, mainly due to the accumulation of O/M projects, revenue scale expansion and the rebound effect from the VMware license-related negative profit impact (approx. ¥1.4 bn) in FY24

- 3Q24 NW Services gross margin include one-time cost reimbursement related to the mobile data interconnectivity charge
- 4Q24 SI gross margin improved QoQ to seasonal revenue growth and economies of scale
- FY24 VMware license-related gross profit impact on NW Services: approx. -¥0.1 bn (1Q: approx. -¥0.3 bn, 2Q: approx. -¥0.3 bn, 3Q: approx. +¥0.2 bn, 4Q: approx. +¥0.3 bn)
- FY24 VMware license-related gross profit impact on SI: approx. -¥1.4 bn (1Q: approx. -¥0.9 bn, including approx. -¥0.7 bn of one-time cost due to provisions, 2Q: approx. -¥0.1 bn, 3Q: approx. -¥0.2 bn, 4Q: approx. -¥0.2 bn)

Network (NW) Services (1) Revenues

Unit: ¥ (JPY) million
 [] , YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information



◆ Internet Connectivity (enterprise) Services

- FY25: ¥53.89 bn, +10.0% YoY (+9.5% YoY in FY24)
 - Of which, IP Service: ¥18.64 bn, +7.6% YoY (+8.3% YoY in FY24)
 - Of which, Enterprise mobile: ¥18.20 bn, +17.6% YoY (+13.5% YoY in FY24)
 - ✓ 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales
 - Of which, MVNE: ¥11.98 bn, +5.2% YoY (+7.9% YoY in FY24)

◆ Internet Connectivity (consumer) Services

- FY25: ¥28.67 bn, +6.9% YoY (+6.1% YoY in FY24)
 - Of which, consumer mobile (IIJmio): ¥25.28 bn, +7.9% YoY (+6.7% YoY in FY24)

◆ Outsourcing Services

- FY25: ¥67.62 bn, +14.3% YoY (+11.7% YoY in FY24)
 - Of which, security: ¥40.91 bn, +13.8% YoY (+16.2% YoY in FY24)

◆ WAN Services

- FY25: ¥28.55 bn, +3.4% YoY (-2.7% YoY in FY24)

Enhancing existing services and introducing new offerings to accumulate NW service revenue

New: IIJ Security Doctor, IIJ Cloud Exchange Service for Prisma Access and more

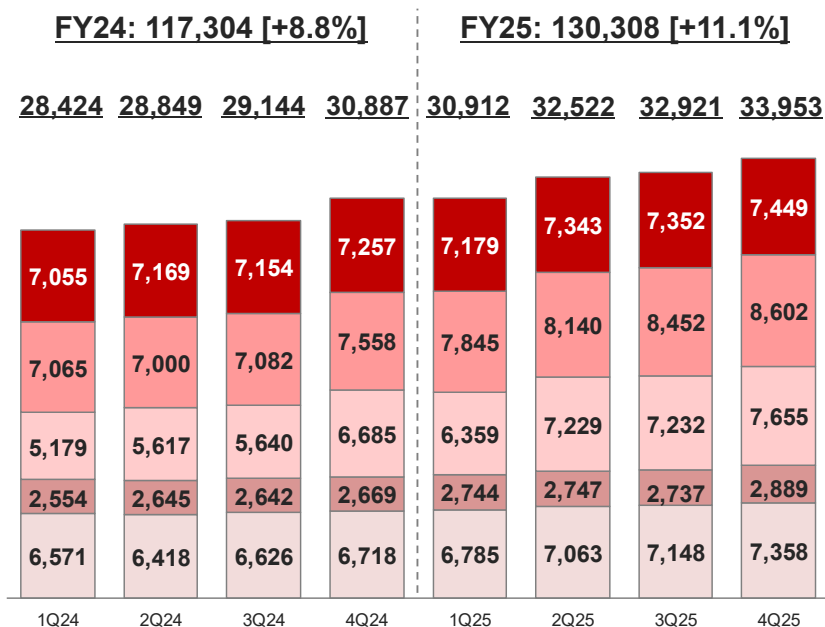
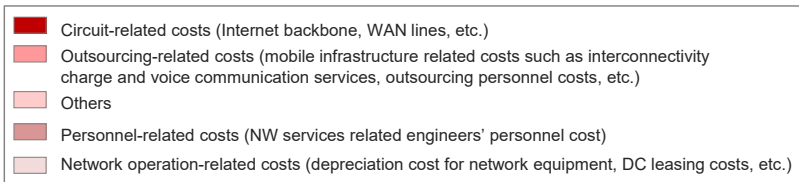
Enhancement: IIJ IoT Service, IIJ Flex Mobility Service/ZTNA, IIJ Secure End Service and more

- Total contracted bandwidth is calculated by multiplying number of contracts by contracted bandwidths for IP service and broadband services respectively which are both under Internet connectivity services for enterprise
- Total contracted bandwidth in 4Q24 significantly increased, driven by multiple customers adding or newly acquiring over 100Gbps
- IP (Internet Protocol) Service is bandwidth guaranteed dedicated Internet connectivity services for enterprises. Contracts are based on bandwidth and enterprises use the service for their core and main Internet connectivity
- Enterprise mobile primarily refer to direct offerings for IoT and similar usages
- MVNE (sales of service to other MVNOs) refers to IIJ Mobile MVNO Platform Service
- 3Q24 consumer mobile (IIJmio) include approx. ¥0.18 bn of sales netting due to campaign expenses in 3Q23 for fiber optic internet service, which was confirmed after one-year usage

Network (NW) Services (2) Cost of Revenues

Unit: ¥ (JPY) million
[], YoY = Year over year comparison

Financial Information



- FY25 Circuit-related costs: ¥29.32 bn, +2.4% YoY (-0.5% YoY in FY24)
 - Internet backbone circuit cost remains stable by leveraging scale merit with one of the largest Internet backbone networks
 - QoQ increase almost along with WAN service revenue
- FY25 Outsourcing-related costs: ¥33.04 bn, +15.1% YoY (+3.3% YoY in FY24)
 - Mobile data connectivity and voice-related costs continued to rise, in line with growth in mobile subscriber acquisitions
 - In 3Q25, there was no one-time cost reimbursement related to the finalization of FY24 mobile data interconnectivity charge
- FY25 Others: ¥28.48 bn, +23.2% YoY (+35.5% YoY in FY24)
 - License fees such as SASE increased along with related revenue growth
 - Increased mobile device purchasing costs: approx. +¥2.1 bn YoY (1Q25: approx. +¥0.3 bn YoY, 2Q25: approx. +¥1.0 bn YoY, 3Q25: approx. +¥0.6 bn YoY, 4Q25: approx. +¥0.2 bn)
- FY25 Personnel-related costs: ¥11.12 bn, +5.8% YoY (+12.4% YoY in FY24)
 - Increased mainly due to increased headcount and the revision of salary table at the beginning of the fiscal year
- FY25 Network operation-related costs: ¥28.35 bn, +7.7% YoY (+5.9% YoY in FY24)
 - Continued to increase along with facility expansions
 - Mainly due to the MVNO infrastructure replacement, depreciation costs and other related costs increased by approx. ¥0.9 bn YoY

* Outsourcing costs: 3Q24 Outsourcing-related costs include one-time cost reimbursement based on the difference between future cost method figures and actual figures regarding FY23 usage, which was similar in volume to that recorded in 3Q23
 * FY24 Others cost was impacted approx. +¥1.0 bn YoY included in by the VMware and enhancement of mobile procurement for 4Q promotional season (approx. +¥0.5 bn YoY)

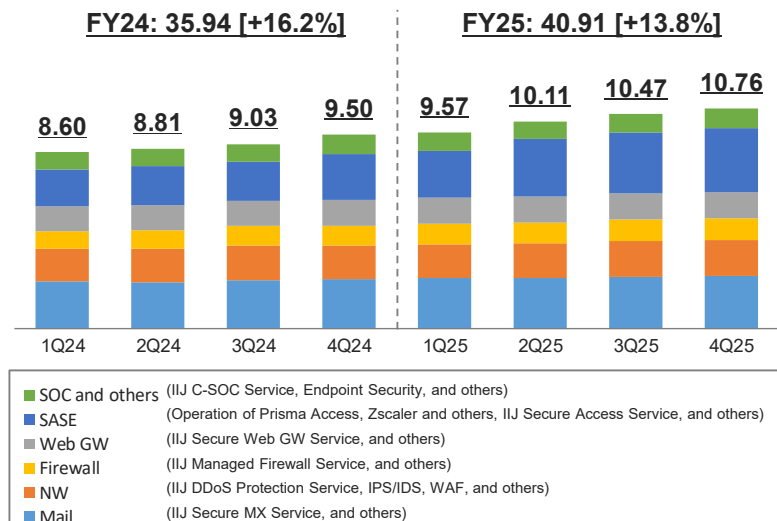
Network (NW) Services (3) Security and Mobile/IoT

Unit: ¥ (JPY) billion
 [], YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information

Security Business

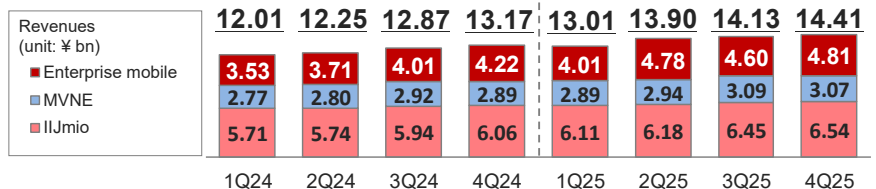
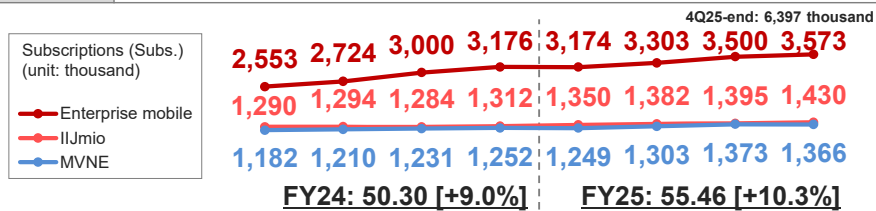
◆ Ongoing strong demand drives stable growth in security services (MRR)



Mobile/IoT Business

◆ Steady growth in both revenue and subscription across all segments

Enterprise	Continuous demand to connect devices such as IoT devices, taxi tablets, security cameras, dashboard cameras
Consumer	<ul style="list-style-type: none"> • Subscription continued to increase, supported by plan revisions in Mar. 2025 and JAL Mobile launched in Apr. 2025 • eSIM subscriptions increased over 200,000 (3Q25-end) • Awarded No.1 overall satisfaction for two consecutive years (Oricon customer satisfaction survey in the "low-cost smartphone" category)
MVNE	Steady growth in new MVNO clients is driving an increase in customers and subscriptions



	1Q24-end	2Q24-end	3Q24-end	4Q24-end	1Q25-end	2Q25-end	3Q25-end	4Q25-end
Number of MVNE clients (unit: companies)	195	197	200	201	202	205	207	212
IIJmio GigaPlans Subs. (unit: thousand)	1,069	1,084	1,085	1,124	1,175	1,216	1,238	1,284

- Enterprise Mobile and MVNE refer to direct service offerings for IoT and other device connectivity use cases and IIJ Mobile MVNO Platform Services provided to other MVNO operators, respectively.
- 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales

◆ Strong corporate interest in cybersecurity measures

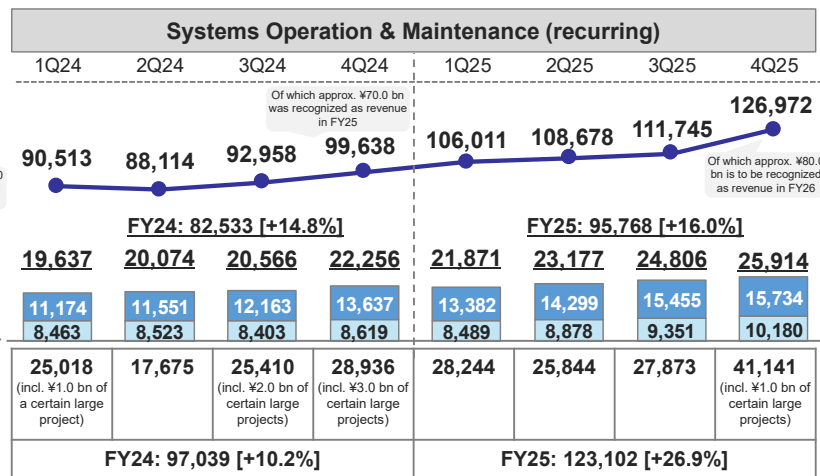
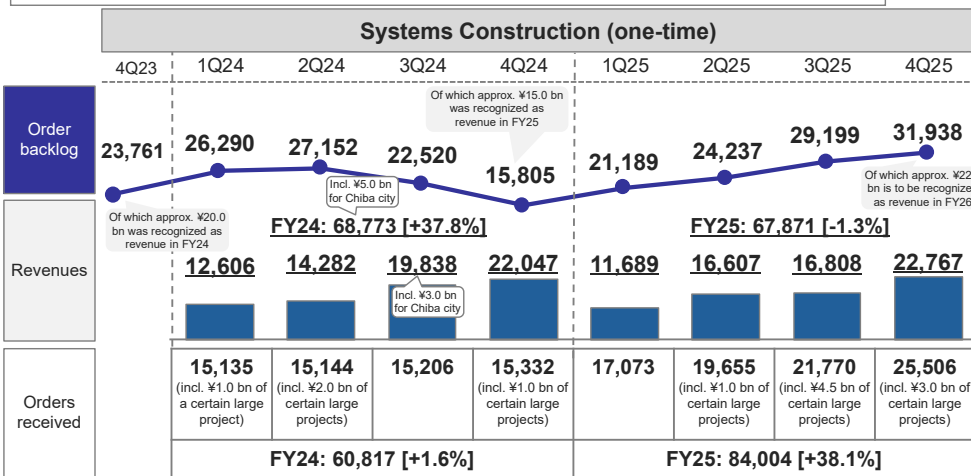
- Total security business volume (NW service + SI) FY25: ¥48.37 bn (FY24: ¥41.58 bn)
- Mail security revenue also continued to grow
- The number of companies participating in security-related service workshops increased 1.5 times YoY
- "IIJ Security Doctor" (launched in Nov. 2025), in which IIJ security experts provide comprehensive support for customers' security measures and operations, is seeing growing demand and business expansion into the security assessment and consulting

• Security services (monthly recurring revenue) is recognized as Outsourcing services revenue

II - 6. Systems Integration (SI) (1) Revenues

Unit: ¥ (JPY) billion
 [] YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

- Systems Construction revenues (including equipment sales)
- Systems operation & maintenance revenues for on-premise system
- Cloud revenues such as private cloud which are recognized as systems operation & maintenance revenues



- Favorable demand situation: strong demand to construct core NW/system from all industries
- Consistently secured large-scale Service Integration projects from 4Q25 onward
 - *The project volume includes both SI and network services
 - GPU infrastructure construction through Singapore subsidiary PTC (¥12.0 bn, 5 yrs)
 - NW infrastructure construction and O/M for public institution (¥4.0 bn, 5 yrs)
 - NW system construction & O/M for public institution (additional) (¥2.5 bn, 18 yrs)
 - Virtualization platform construction and O/M for public institution (¥1.0 bn, 6 yrs)
 - Security enhancement for manufacturer (¥1.0 bn, 3 yrs)
 - System construction for government agency (¥1.0 bn, 3 yrs)
 - NW system construction and O/M for public institution (¥1.5 bn, 6 yrs)
- Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

- Continued strong revenue growth including the start of SI O/M for large-scale projects.

Cloud Service Revenue (recurring)

Unit: JPY bn

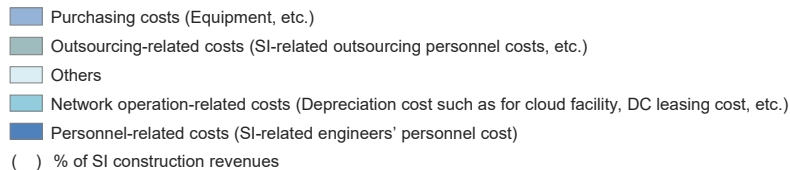
	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Private Cloud Own service, multi-cloud, etc.	7.1	6.9	6.9	7.0	6.9	7.3	7.8	8.2
Raptor FX system services for financial institutions	1.1	1.5	1.3	1.4	1.3	1.4	1.4	1.8
Others Own public cloud, overseas cloud, etc.	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total	9.1	9.1	9.0	9.2	9.1	9.4	9.9	10.7

- Breakdown of FY25 cloud revenue
 - ✓ 94.3% Systems O/M
 - ✓ 5.7% Outsourcing service
- FY24 cloud service revenue was impacted by a certain multi-cloud project: 1Q24 revenue included +¥0.3 bn of one-time due to the termination of the transaction, 2Q, 3Q, and 4Q24 MRR decreased by approx. -¥0.6 bn/Q

Systems Integration (SI) (2) Cost of Revenues

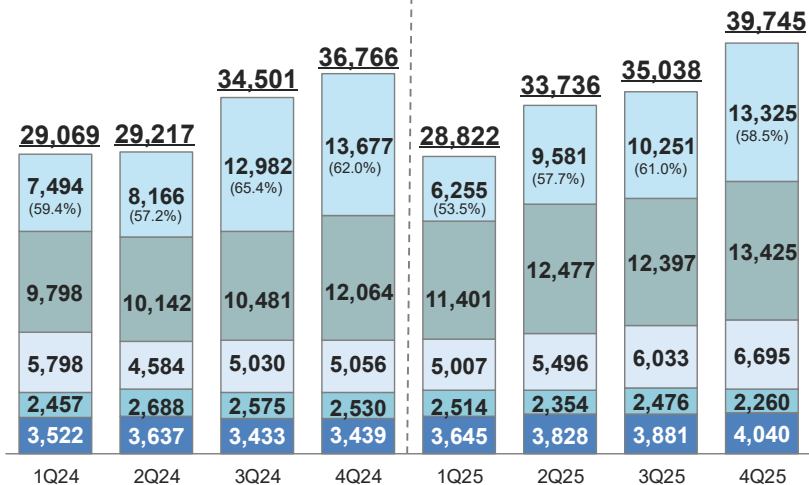
Unit: ¥ (JPY) million
[], YoY = Year over year comparison

Financial Information



FY24: 129,553 [+26.1%]

FY25: 137,341 [+6.0%]



- FY25 Purchasing costs: ¥39.41 bn, -6.9% YoY (+48.4% YoY in FY24)
 - Linked to the size of project and revenue to a certain degree
- FY25 Outsourcing-related costs: ¥49.70 bn, +17.0% YoY (+19.1% YoY in FY24)
 - Linked to the size of project and revenue to a certain degree
- FY25 Others: ¥23.23 bn, +13.5% YoY (+28.4% YoY in FY24)
 - Include license purchasing costs and others
- FY25 Network operation-related costs: ¥9.60 bn, -6.3% YoY (+4.9% YoY in FY24)
 - No significant change on a quarterly basis
- FY25 Personnel-related costs: ¥15.39 bn, +9.7% YoY (+9.0% YoY in FY24)
 - Increased mainly due to increased headcount and the revision of salary table at the beginning of the fiscal year

Number of SI-related outsourcing personnel (unit: personnel)

1Q24-end	2Q24-end	3Q24-end	4Q24-end	1Q25-end	2Q25-end	3Q25-end	4Q25-end
1,513	1,525	1,510	1,596	1,578	1,603	1,607	1,633

- Due to many ongoing projects including ones before order-received, the number of outsourcing personnel has been at a high level

* Regarding Others, the revenue-linked multi-cloud license cost decreased as expected along with the termination of a large client's transaction at the end of 1Q24. FY24 cost impact related to VMware license was approx. +¥2.6 bn YoY (including a one-time cost due to provisions of approx. ¥0.7 bn in 1Q24, resulting in a YoY increase of ¥1.2 bn for the quarter)

Human Capital Disclosure

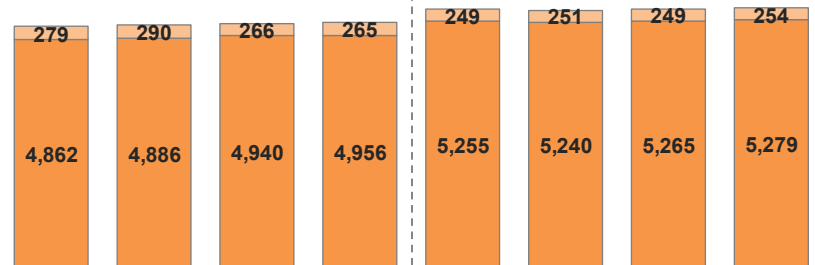
Number of Employees (consolidated basis)

Contract worker (personnel)
Full-time worker (personnel)

+394 YoY of which, 307 were new graduates

+363 YoY of which, 269 were new graduates

Jun. 2024 **5,141** Sep. 2024 **5,176** Dec. 2024 **5,206** Mar. 2025 **5,221**
Jun. 2025 **5,504** Sep. 2025 **5,491** Dec. 2025 **5,514** Mar. 2026 **5,533**



Personnel adjustments were made at an overseas subsidiary in 2Q25

Personnel-related Costs & Expenses (consolidated basis)

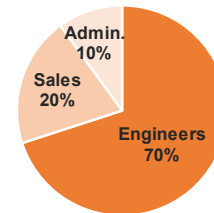
Unit: ¥ (JPY) million

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
(Consolidated personnel-related costs & expenses (YoY))	10,333 (+10.4%)	10,665 (+15.3%)	10,299 (+9.4%)	10,341 (+7.5%)	11,049 (+6.9%)	11,305 ^{(*)2} (+6.0%)	11,278 (+9.5%)	12,133 (+17.3%)
	FY24: 41,638 (+10.6%)				FY25: 45,765 (+9.9%)			
% of revenue	14.3%	14.2%	12.5%	11.8%	14.4%	13.3%	12.9%	12.6%

(*1) In 1H24, there was a one-time payment to address inflation. As a result, the YoY growth rate of personnel-related expenses in 1Q-3Q25 slightly declined

(*2) Gain on the revision of the retirement benefit plan was not included

Breakdown of Employees



- FY25
 - Number of employees increased by 312 personnel, including 269 new graduates
 - Average annual salary increased by approx. 6%, including the salary table revision, in Apr. 2025 (IIJ)
- FY26
 - Number of employees to increase by approx. 400 personnel, including 277 new graduates
 - Average annual salary increased by approx. 6%, including the salary table revision, in Apr. 2026 (IIJ)

Number of New Graduates

(consolidated basis)
Unit: personnel

Apr. 2022 Apr. 2023 Apr. 2024 Apr. 2025 Apr. 2026



Ratio of Female Managers (IIJ)

- Achieved FY24 and FY27 targets a year in advance
 - Initial targets: FY24 over 6%, FY27 over 8%

Year	Apr. 2023	Apr. 2024	Apr. 2025	Apr. 2026
Ratio	6.3%	7.5%	8.4%	8.8%

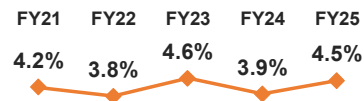
Employee Survey (IIJ)

- FY25 employee survey indicates high overall satisfaction level: 3.8 (out of 5)

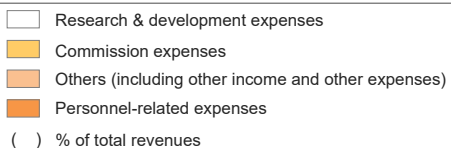


Turnover Rates (IIJ)

- Lower than the industry average turnover^(*)

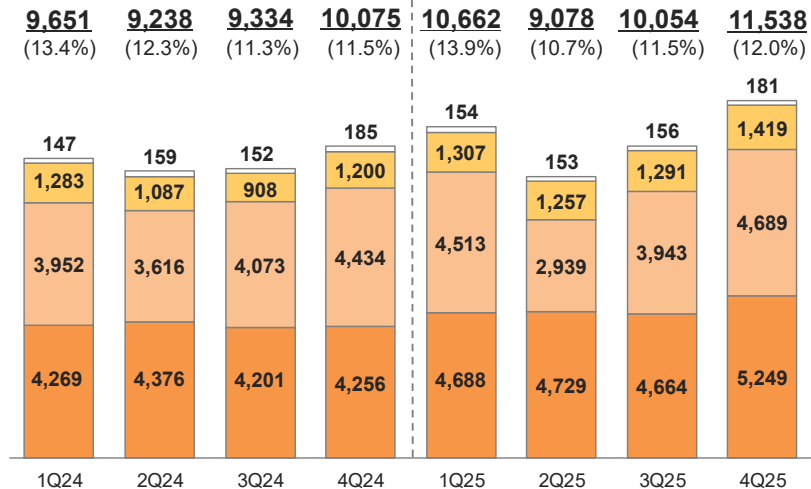


The Employee Survey(IIJ) is an annual engagement survey (approx. 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."
The turnover rate of IIJ is calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare



FY24: 38,298 [+9.9%]

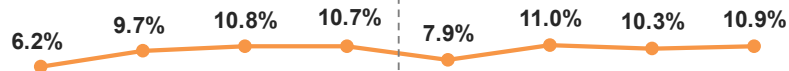
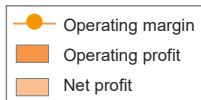
FY25: 41,332 [+7.9%]



- Above figures are SG&A expenses plus other income and other expenses
- 1Q personnel-related and other expenses increase mainly due to an increase in training and human capital development expenses along with the entry of new graduates. Such expenses decrease in 2Q QoQ as expenses for new graduate engineers are recorded as cost of revenues from 2Q

- FY25 Research & development expenses: ¥0.64 bn, +0.2% YoY (+0.9% YoY in FY24)
 - Mainly personnel expenses of research institute division. No major changes
- FY25 Commission expenses: ¥5.27 bn, +17.8% YoY (-2.0% YoY in FY24)
 - Mainly recruitment expenses and credit card fees for consumers
- FY25 Others: ¥16.08 bn, +0.1% YoY (+12.0% YoY in FY24)
 - Increasing mainly because of increases in advertisement, activity-related expenses, and tax-related expenses. 1Q training expenses also increased temporarily due to new graduate hire
 - 2Q25 Other income included a one-time gain of ¥1.17 bn from the revision of retirement benefit plans (IIJ)* which was slightly lower than expected
- FY25 Personnel-related expenses (salary, employee benefits, etc.) : ¥19.33 bn, +13.0% YoY (+11.9% YoY in FY24)
 - Upward trend, mainly due to the salary table revision and hiring of new graduate at the beginning of FY25
 - QoQ increase in 4Q25 mainly due to year-end bonuses

Profit

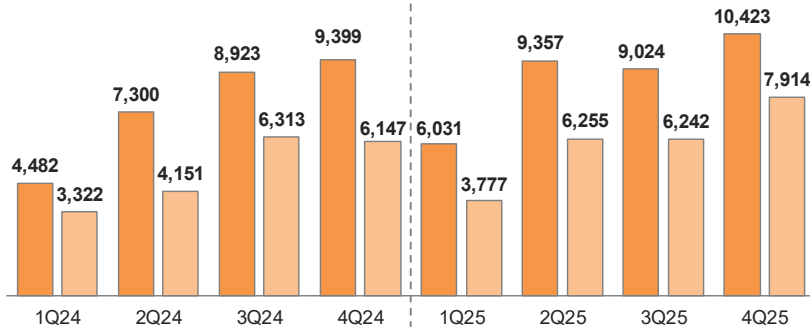


FY24 Operating profit: 30,104 [+3.7%]

FY24 Net profit: 19,933 [+0.5%]

FY25 Operating profit: 34,835 [+15.7%]

FY25 Net profit: 24,188 [+21.3%]



1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	
719	(1,294)	722	(653)	(186)	173	615	279	Finance income (expense), net
(162)	71	(173)	(150)	(108)	(118)	(157)	(91)	Share of profit (loss) of investments accounted for using equity method
(1,654)	(1,915)	(3,092)	(2,419)	(1,928)	(3,091)	(3,173)	(2,642)	Income tax expense
63	11	67	30	32	66	67	55	Profit (loss) for the period attributable to non-controlling interests

- Under IFRS, equity securities are measured at fair value through OCI (Other Comprehensive Income) while funds are measured through profit or loss
- Net profit shows "Profit for the period attributable to owners of the parent"

◆ **FY25 Operating profit : ¥34.84 bn, +15.7% YoY**

- Below expectations mainly due to revenue mix
- One-time gain from the revision of retirement benefit plan of ¥1.17 bn in 2Q25

◆ **FY25 Profit before tax: ¥35.24 bn, +20.8% YoY**

- Exceeded the forecast due to foreign exchange gain and valuation gain on funds, etc.
- Interest expense: ¥1,366 million (FY24: ¥1,062 million)
- Foreign exchange gain(loss) and valuation gain(loss) on funds: quarterly profit fluctuate due to FX impacts; initial forecast assumed ¥140/USD resulting in above expectations

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Exchange rate at the end of Q (per USD)	161.07	142.73	158.18	149.52	144.81	148.88	156.56	159.88
Foreign exchange gain(loss)	+196	(249)	+196	(97)	(67)	(7)	+24	+95
Valuation gain(loss) on funds, etc.*	+585	(863)	+790	(311)	(14)	+446	+883	+445

*Foreign exchange impacts were also included as lots of assets are dominated in USD

- Share of gain(loss) of investments accounted for using equity method:

-¥474 million (FY24: -¥414 million)

- ✓ DeCurret-related loss: -¥816 million as expected *IJ ownership from Sep. 2024: 34.8%

1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
(182)	+25	(177)	(219)	(174)	(182)	(205)	(255)

2Q24 included gain of ¥209 million on change in equity interest due to DeCurret HD's capital increase in Sep. 2024

- ✓ Considering the social adoption timeline for tokenized deposits, the expected timing for monthly profitability has been pushed back from the second half of FY26 and is under review

◆ **FY25 Net profit: ¥24.19 bn, +21.3% YoY**

- Exceeded the forecasts, mainly supported by non-operating profit and loss

Consolidated Statements of Financial Position (Summary)

Unit: ¥ (JPY) million

 Financial
Information

	Mar. 31, 2025	Mar. 31, 2026	Changes		Mar. 31, 2025	Mar. 31, 2026	Changes
Cash & cash equivalents	32,534	38,395	+5,861	Trade & other payables	30,238	34,478	+4,240
Trade receivables	56,361	62,084	+5,723	Borrowings (current & non-current)	33,616	35,570	+1,954
Inventories	4,681	7,132	+2,451	Contract liabilities & Deferred income (current & non-current)	26,043	39,120	+13,077
Prepaid expenses (current & non-current)	56,930	71,858	+14,928	Income taxes payable	5,205	5,119	(86)
Tangible assets	33,771	45,114	+11,343	Retirement benefit liabilities	4,849	1,013	(3,836)
Right-of-use assets	45,756	39,110	(6,646)	Other financial liabilities (current & non-current)	58,578	60,660	+2,082
Of which, operating leases (rent of office, data center etc.)	28,958	22,367	(6,591)	Of which, operating leases (rent of office, data center etc.)	29,714	23,123	(6,591)
Of which, finance leases (network equipment etc.)	16,798	16,743	(55)	Of which, finance leases (network equipment etc.)	19,172	19,895	+723
Goodwill & intangible assets	31,328	33,428	+2,100	Others	11,820	11,502	(318)
Investments accounted for using the equity method	6,639	6,293	(346)	Total liabilities:	170,349	187,462	+17,113
Investment securities (Equity)	15,823	12,106	(3,717)	Share capital	25,577	25,663	+86
Other investments	10,711	12,691	+1,980	Share premium	35,865	35,930	+65
Others	17,901	18,722	+821	Retained earnings	79,885	98,163	+18,278
				Other components of equity	11,266	10,006	(1,260)
				Treasury shares	(11,910)	(11,755)	+155
				Total equity attributable to owners of the parent:	140,683	158,007	+17,324
				Non-controlling interests	1,403	1,464	+61
Total assets:	312,435	346,933	+34,498	Total liabilities and equity:	312,435	346,933	+34,498

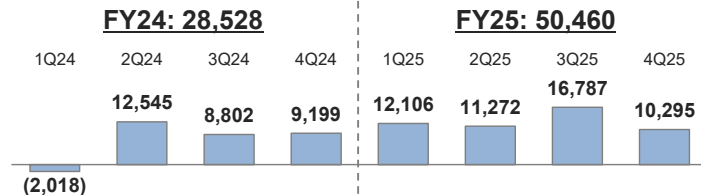
- Prepaid expenses increased mainly due to increases in projects for clients, license fee and maintenance for facility, etc., Expected to be recovered gradually over multiple years
- Tangible assets increased mainly due to investment in data centers
- Ratio of total equity attributable to owners of the parent: 45.0% as of Mar. 31, 2025, 45.5% as of Mar. 31, 2026

Consolidated Cash Flows

Unit: ¥ (JPY) million
YoY = Year over year comparison

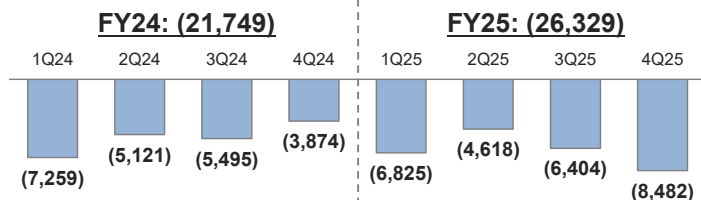
Financial
Information

Operating Activities



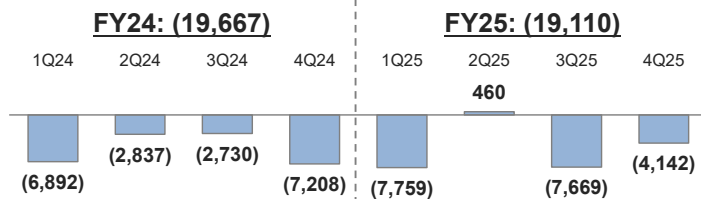
	FY25 Major Breakdown	YoY Change
Profit before tax	35,242	+6,058
Depreciation and amortization	32,674	+1,302
Changes in operating assets & liabilities	(7,879)	+17,129
Of which, decrease (increase) in prepaid expenses (recovering prepaid expenses)	(14,062)	+3,273
Income taxes paid	(10,045)	(281)

Investing Activities



	FY25 Major Breakdown	YoY Change
Purchase of tangible assets	(20,379)	(8,475)
Of which, data center-related	(10,806)	(6,149)
Purchase of intangible assets such as software	(8,111)	+100

Financing Activities



	FY25 Major Breakdown	YoY Change
Proceeds from other financial liabilities	10,456	+1,959
Payment of operating/finance leases and other financial liabilities	(24,804)	+614
Short-term borrowings	2,000	(5,000)
Dividends paid	(6,553)	(419)

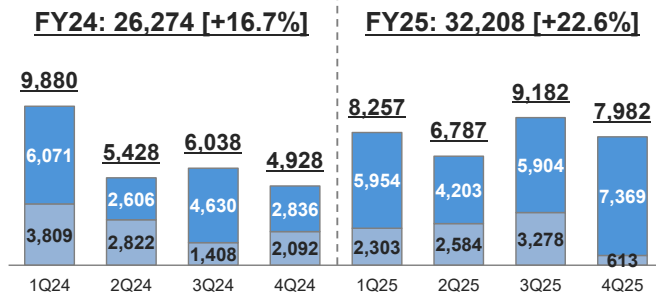
Other Financial Data

Unit: ¥ (JPY) million
[], YoY = Year over year comparison

Financial Information

CAPEX

Cash CAPEX
Finance lease



Major breakdown of CAPEX (Unit: ¥ bn)

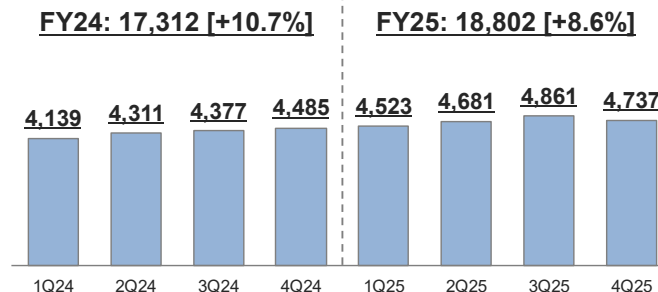
	FY24	FY25	Notes
Ordinal CAPEX (NW equipment & server, etc.)	12.5	13.7	Sustained investment
Shiroi data center-related (Of which 3rd site)	0.9 (0.3)	9.6 (8.5)	Individual investment for anticipated demand
Matsue data center-related	3.7	2.0	
Customer-related	4.3	3.7	Investment for each project
Renewal of Full-MVNO 5G infrastructure	4.1	3.0	Ad-hoc investment
Renewal of FX SaaS service facility	0.5	0.2	Ad-hoc investment

FY26 CAPEX plan: approx. ¥38.0 bn

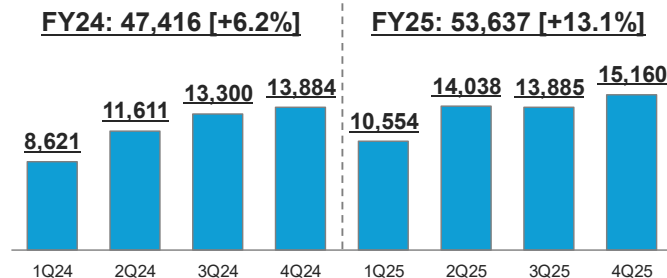
- Of which, approx. ¥18.0 bn is for Shiroi data center 3rd site construction
- Cumulative total CAPEX for Shiroi DC 3rd site of approx. ¥27.0 bn expected, progressing within the Mid-term Plan assumptions

- Total amount of capital expenditure is the amounts of acquisition of tangible and intangible assets by cash and entering into finance leases for the fiscal year, excluding duplication due to sale and leaseback transactions and acquisition of assets that do not have the nature of investment, such as purchase of small-amount equipment.
- CAPEX-related depreciation and amortization is calculated by excluding depreciation and amortization of assets that do not have the nature of capital investment, such as right-of-use assets related to operating leases, small-amount equipment and customer relationship.
- Adjusted EBITDA is calculated by adding operating profit and CAPEX-related depreciation and amortization.

CAPEX-related depreciation and amortization



Adjusted EBITDA



FY26 Business Strategy

Unit: JPY/¥ billion (bn), +%, YoY = Year over year comparison
Net Profit is *Profit for the period attributable to owners of the parent

Financial Information

Revenue			Operating profit (Margin)			Net profit (Margin)			Dividend per share											
FY24 Result	FY25 Result	FY26 Outlook	FY24 Result (9.5%)	FY25 Result (10.1%)	FY26 Outlook (10.0%)	FY24 Result (6.3%)	FY25 Result (7.0%)	FY26 Outlook (6.5%)	(Unit: JPY)	FY24	FY25	FY26 forecast								
316.8	+9.0%	345.4	+11.5%	385.0	30.1	+15.7%	34.8	+10.5%	38.5	19.9	+21.3%	24.2	+3.4%	25.0	ROE: 15.8%	Year-end	35.00	39.00	43.00	Payout ratio: 30.5%
										Intrim	17.50	19.50	21.50							

Seize business expansion opportunities by enhancing our Service Integration strategy

- Expand business scope based on existing business by strengthening our cybersecurity business and addressing growing IT department outsourcing demand
- Expect profit growth driven by strong revenue expansion, scale merit, and stronger cross-selling

**Strengthen competitiveness through NW engineering & operational excellence
Continue developing new services & enhancing our NW infrastructure**

- Leverage our own network infrastructure to deliver industry-optimized platforms and differentiate through operational excellence
- Ongoing development of new NW services as mid-to-long-term growth drivers
- Continuous capacity expansion of the NW system infrastructure and optimization including reconstruction

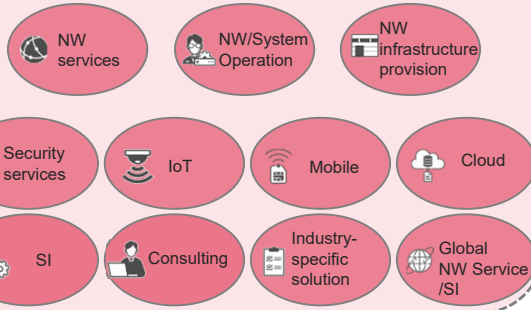
**Accelerate our strategy with AI
Capture maximum benefits as a network services provider**

- Apply AI to our NW system platform and create added value for our customers over the medium-to-long term
- Improve productivity through company-wide AI adoption to ease human-capital bottlenecks
- Provide AI platform solutions for customers through SI implementation and operations

FY26 Key Initiatives

Shifting from SI & individual service/product delivery to an integrated services offering

NW & system infrastructure operations as our business and technology foundation



Strengthen our Core Businesses and Accelerate Revenue Growth in Priority Areas

Accelerate our core business through an integrated security business, enhanced with assessment and consulting

Differentiate our business through industry- and domain-optimized NW & system platforms, built on our own NW infrastructure

Accelerate MRR accumulation through continued large-scale Service Integration wins, driven by major NW renewals & IT operations outsourcing demand

Continuously enhance NW service specifications & expand our service lineup in response to market conditions & customer needs

Key Enablers for Future Growth

Implement AI enablement by enhancing efficiency and delivering AI-based solutions
Replace about 30% of company-wide work with AI by the end of FY29

Reinforcement of sustainable operations through human capital development and TCFD/SSBJ readiness

Profitability & Business Foundation Enhancement

Continue inflation counter measures, including appropriate pricing actions, and sustain human-capital investment such as wage increases

AI-enabled service operations platforms
Gradually implement an optimized business operating foundation toward the next Mid-term Plan

FY26 Financial Forecast

Unit: ¥ (JPY) billion (bn)

Financial Information

	FY26 Forecast			
	% of total revenue		% of total revenue	
	1H26 <small>(Apr. 1, 2026 - Sep. 30, 2026)</small>	YoY	FY26 <small>(Apr. 1, 2026 - Mar. 31, 2027)</small>	YoY
Total Revenue	180.0	+11.2%	385.0	+11.5%
Gross Profit	21.7% 39.1	+11.2%	22.3% 85.7	+12.5%
SG&A etc.	13.2% 23.7	+20.1%	12.3% 47.2	+14.2%
Operating Profit	8.5% 15.4	(0.2%)	10.0% 38.5	+10.5%
Shares of profit(loss) of investments	(0.7)	-	(1.3)	-
Profit before tax	7.8% 14.1	(7.3%)	9.6% 37.0	+5.0%
Net Profit (Profit for the period attributable to)	5.3% 9.6	(4.8%)	6.5% 25.0	+3.4%
Dividend per share	¥21.50	+¥2.00	¥43.00	+¥4.00

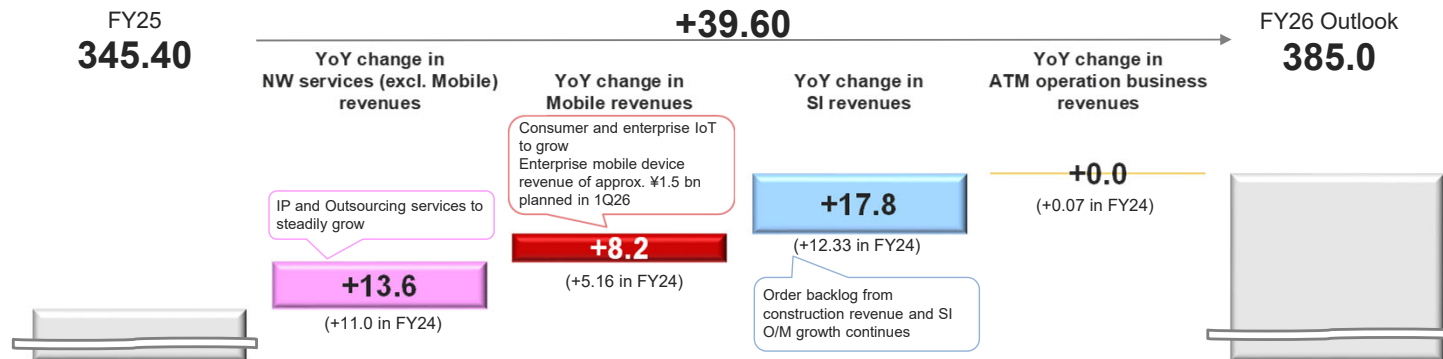
Breakdown					
	Revenue		Gross profit		Gross margin
	FY25 Results	FY26 Forecast	FY25 Results	FY26 Forecast	
ATM	345.4	385.0	76.2	85.7	SI: approx. 17% NW service: approx. 27%
SI	163.6	181.5	26.3	30.5	
NW service	178.7	200.5	48.4	54.0	
Business Plan Assumptions					
◆ NW Services					
<ul style="list-style-type: none"> Continued accumulation of NW services through new service development and enhancement of existing offerings Expect increasing demand driven by cybersecurity needs and industry- and domain-optimized platforms Price revision for partial services (Apr. 2026) to add slightly less than ¥0.8 bn in revenue in a year No consideration on mobile data interconnectivity reimbursement, same as FY25 Approx. ¥1.5 bn of enterprise mobile device revenue will be recognized in 1Q26 Gross margin expected to be almost at the same level as FY25 					
◆ SI					
<ul style="list-style-type: none"> Plan to recognize revenue from SI order backlog and new order acquisition Strong demand environment expected to support continued acquisition of large-scale projects Gross margin expected to improve slightly compared to FY25, driven by continued growth in recurring O/M revenue and scale merits 					
◆ Costs and SG&A					
<ul style="list-style-type: none"> Increases in line with business growth, including headcount increase, as well as due to inflation; annual salary increase rate of approx. 6% (including revision of salary table) Reversal impact of a one-time gain (¥1.17 bn) from the revision of retirement benefit plans in 2Q25, leading to a slight YoY decrease in 1H26 profit outlook 					
◆ Other					
<ul style="list-style-type: none"> Non-operating income/expenses: Assuming exchange rate ¥155/USD, expect foreign exchange losses Equity method income/loss is assumed to be -¥1.3bn (including DeCurret Holdings: JPY -¥1.5 bn) CAPEX: Approx. ¥38.0 bn 					
Shiroi DC 3rd site: CAPEX outlook					
	FY24	FY25	FY26 (forecast)	Cumulative (forecast)	
	Approx. ¥0.3 bn	Approx. ¥8.5 bn	Approx. ¥18.0 bn	Approx. ¥27.0 bn	
<ul style="list-style-type: none"> Net increase in consolidated employees: Approx. +400 (including 277 new graduates) 					

Year over Year Analysis

Unit: ¥ (JPY) billion (bn)
GP = Gross Profit

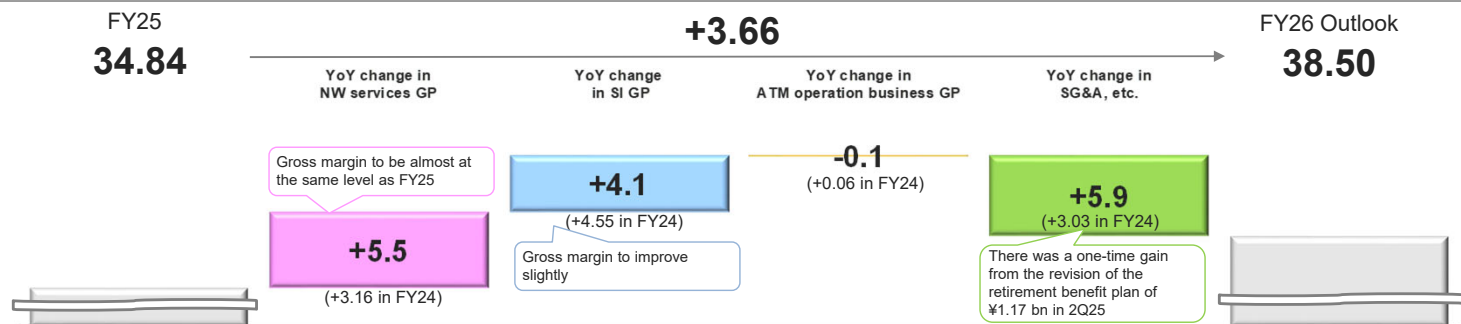
Financial Information

Revenues



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

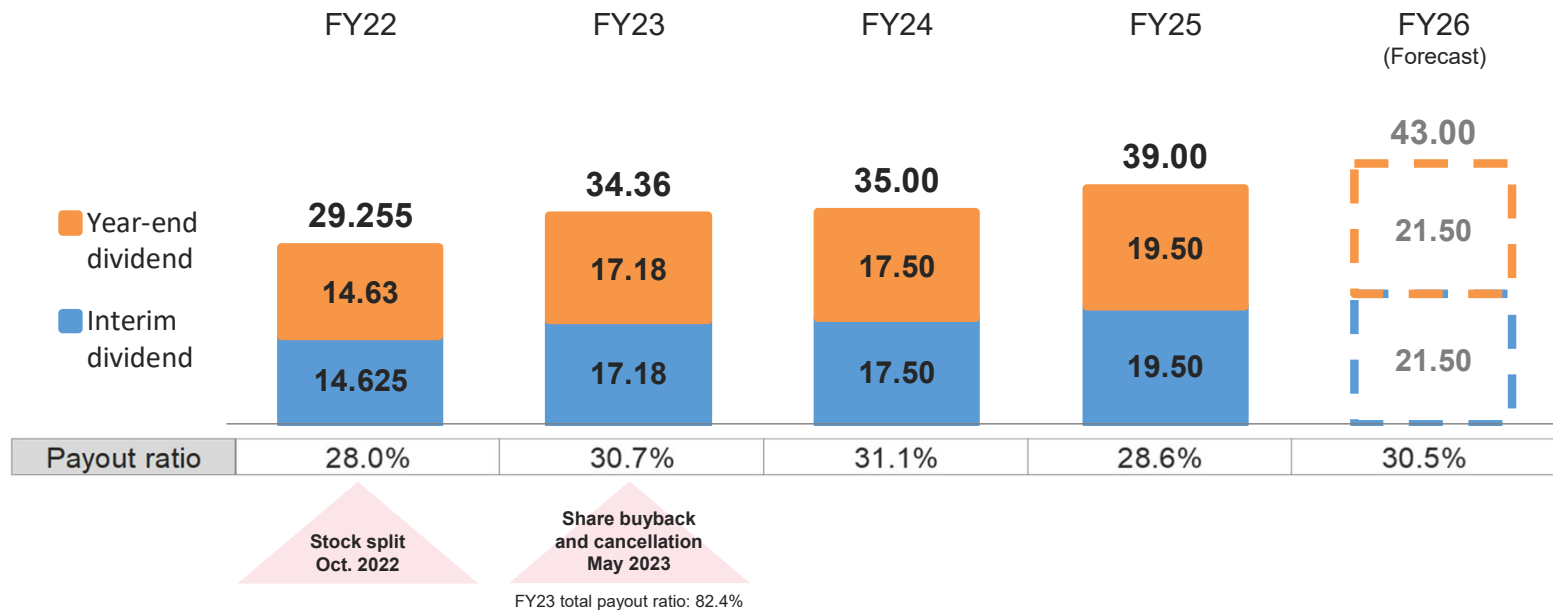
Operating Profit



- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses

Shareholders' Return

- ◆ **Basic shareholders' return policy:**
Continuous and stable dividend payment while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion and future investment
- ◆ **Dividend per share:**



- Dividend per share is written on the post-stock-split basis
- FY22 payout ratio takes the retrospective application of IAS 12 "Income Taxes" into consideration
- FY23 payout ratio takes the share buyback with cancellation which took place in May 2023 into consideration

Mid-term Plan (FY24 ~ FY26)

Consolidated base
 Net Profit is "Profit for the period attributable to owners of the parent"
 "times" are calculated by comparing FY26/FY26-end to FY23/FY23-end
 The figures below are all assumed targets

Financial
 Information

Accelerate business scale expansion toward the Mid-to-long Term Vision by advancing the business structure transformation in FY23
Revenue growth led by integration and profit growth through economies of scale as a NW service operator



Further enhancement of the existing core business area

SI as Revenue driver

- Accelerate revenue growth by rolling out NW construction/renewal projects to various industry, enhancing account sales & PM, expanding human resource
- Enhance SI project management

NW service as Profit driver

- Accelerate NW service accumulation through Service Integration
- Demonstrate the strength of stable NW operation in the DX era

Promotion of large transactions & clients

- Comprehensive outsourcing of client's NW and open systems
- Add large volume revenue to the multi-industry recurring revenue base
- Stable additional profit source for the future

Further enhancement of service development & operation

- Focus on strengthening cyber-security service development
- Respond to DX progress with DWP lineup
- Develop services that would be PF for AI, data lake, etc.

Enhancement of Service Control

- Higher efficiency for service development & operation by new technology such as AI
- Implement appropriate pricing in response to inflation & cost increase

Continuous expansion of NW infrastructure Pursuit of differentiation

- Construct the third site of Shiroy DC for long-term growth
- Deploy full-MVNO 5G SA

Creation of new growth area

Initiatives for Data-driven society

- Operate data utilization business, generate meaningful data, data distribution mechanisms & operations, etc.
 → Study & create business models in conjunction with the existing infrastructure & services



Achieve the spread of Digital Currency in Japan (Equity method investee: DeCurrent)

- First in Japan to issue commercial digital currency as a practical case (scheduled in Jul. 2024)
 - ✓ Digitalized token of environmental value transaction
- Within FY26, anticipate loss to shrink & become profitable on a monthly basis
- Executing STO(*) of digital currency, invoice chain(*), web3/NFT(*) & other practical projects

(*) STO (Security Token Offering): securities issued using electronic means such as blockchain, replacing traditional mechanism of stocks and bonds
 (*) Invoice chain: concept of industry standard systems for corporate intercompany reimbursement
 (*) NFT (Non-Fungible Token): Token issued on the blockchain that can prove uniqueness and cannot be replaced

Enhancement of business foundation

Thorough expansion of Human Capital

- Continuous expansion of human resources
- Develop next-generation human resources for long term growth
- Maintain & enhance top-tier engineering capabilities & expand that to multiple layer

Enhancement of cash control

- Appropriate management of increasing SI-related working capital
- Investment allocation Shiroy DC & growth areas
- Increase payout ratio when the Mid-to-long Term Vision is realized

Maintain & improve Sustainability /Governance

- Strengthen governance in line with growth
- Contribute to the productivity of future society through continuous stable NW operation
- Introduce a new executive compensation scheme linked to the new Mid-term Plan

Complement growth through M&As

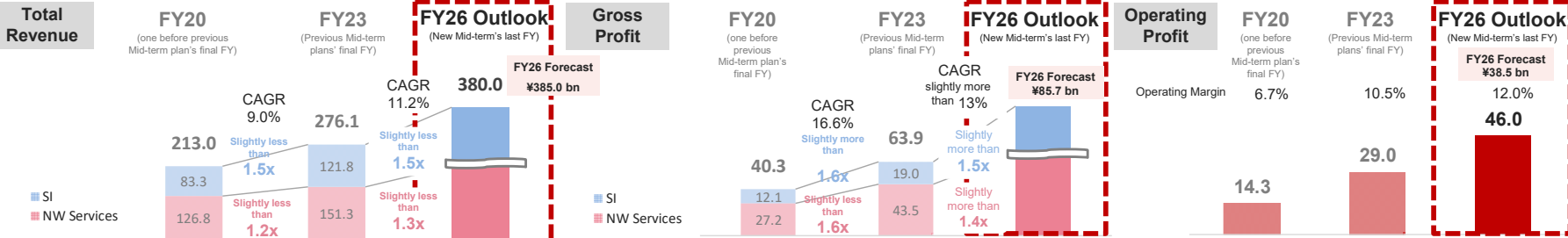
- Pursuit M&A opportunities as a supplemental means of expanding domestic resources & technology
- Leverage residual borrowing capability (up to ¥70.0 bn is envisioned image)

Mid-term Plan's Financial Outlook

Financial Information

Unit: ¥ (JPY) billion

Breakdown image of financial outlook



Capital allocation (FY24-FY26, 3 yrs in total)

Cash in

Profit level trending below expectations

Cash generated from business approx. ¥134.0 bn^(*)

^(*) post-tax, pre-depreciation

Debt Up to approx. ¥65.0 bn

Cash out

Investment: approx. ¥90.0 bn

Ordinal NW infrastructure, etc. approx. ¥51.0 bn

Stable with economies of scale

Shiroy DC 3rd Site construction approx. ¥30.0 bn

Mainly for own services

Strategic investment for new growth areas

Along with an increase in large complex project
Increase in working capital and lease obligation

Approx. ¥13.0 bn

Payout ratio 30%
Dividend

Approx. ¥24.0 bn

Scheduled repayment of long-term borrowing

Approx. ¥1.5 bn

M&As

up to ¥70.0 bn

Overview

Execution progressing as planned

Shiroy DC 3rd site construction

- Start the construction within the new Mid-term plan period, but the schedule is undetermined
 - First site: CAPEX approx. ¥8.3 bn, No. of racks: approx. 700, started operating from May 2019
 - Second site: CAPEX approx. ¥12.8 bn (plan), No. of racks: approx. 1,100, started operating from Jul. 2023

Strategic Investment

- Specific investment details have not fixed and will be discussed going forward

Increase in working capital & lease obligations

- Increase in work in process, prepayments, etc. due to an increase in large scale multi-year SI projects
 - The impact of increased working capital should gradually be reduced due to the constant revenue recognition of large-scale projects

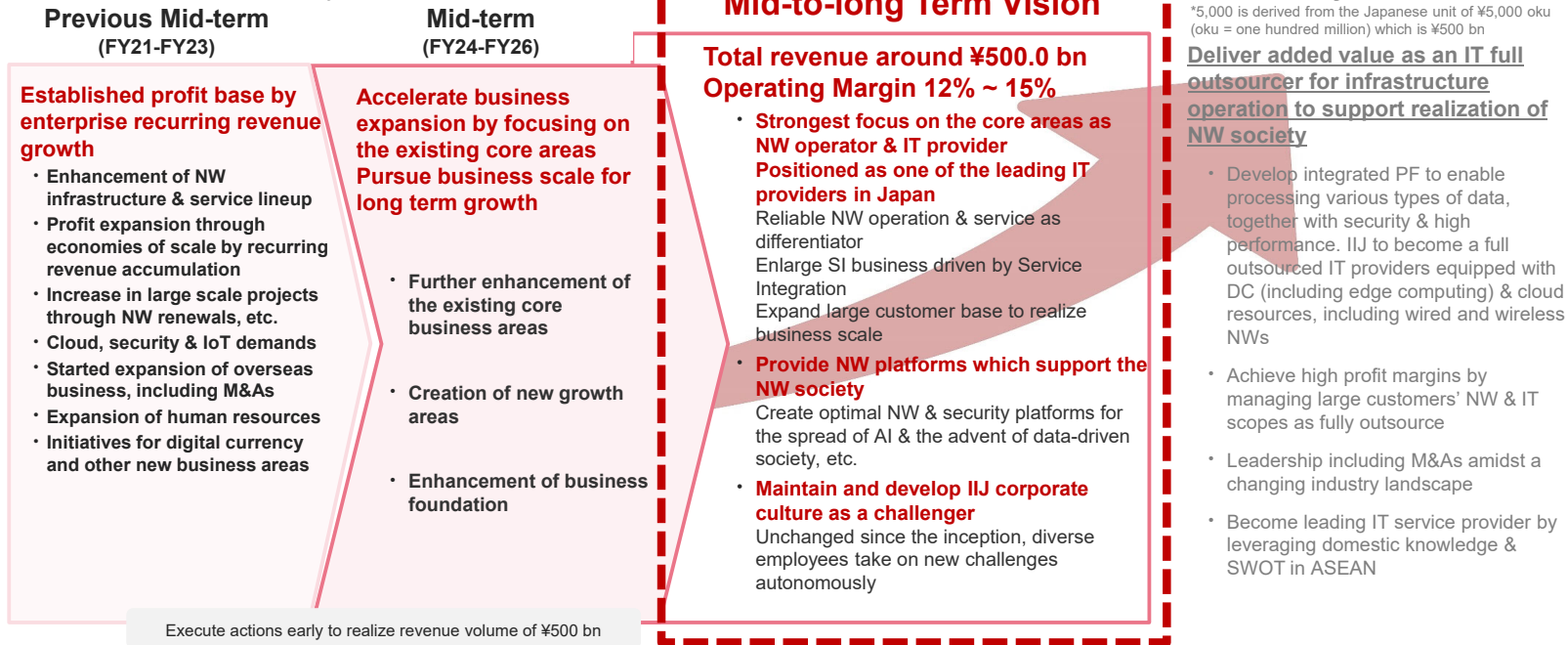
M&As

- M&As to be conducted in sequence with borrowing capacity
 - Maintain debt/equity ratio & financial discipline, Up to ¥70.0 bn of additional debt could be implemented for M&As

Pipeline exists, but M&A execution remains uncertain

Mid-to-long Term Vision

The figures mentioned below are all assumed status and image



Targets (consolidated)

Total Revenue	¥276.1 bn	¥385.0 bn	¥380.0 bn	¥500.0 bn
Operating Margin	10.5%	10.0%	12%	12% ~ 15%
Payout ratio		30.5%	30%	30% ~ 40%

FY23 result

¥276.1 bn

10.5%

FY26 forecast

¥385.0 bn

10.0%

30.5%

Initial Mid-Term Plan targets for FY26

¥380.0 bn

12%

30%

¥500.0 bn

12% ~ 15%

30% ~ 40%

Payout ratio to gradually increase along with an increase in business scale

Supplemental Business Information

Detailed Business Overview

Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

May 2026

Disclaimer

Statements made in this presentation regarding IIJ's or managements' intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues, operating and net profitability are subject to various risks, uncertainties and other factors that could cause IIJ's actual results to differ materially from those contained in any forward-looking statement.

Outline

- | | |
|---|-------------------|
| 1. Business Status Updates | P. 2 – 9 |
| 2. About IIJ | P. 10 – 18 |
| 3. Financial Information | P. 19 – 44 |
| 4. Supplemental Business Information | P. 45 – 66 |

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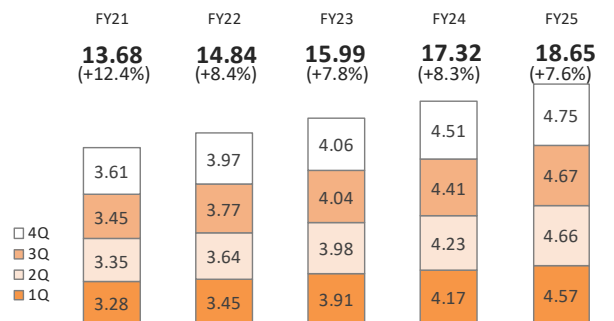
Enterprise Network Services

IIJ's enterprise network services' business model: Cost doesn't have to increase at the same pace as the revenue: economies of scale

IP service (Internet Protocol)

- ◆ IP Service is a bandwidth guaranteed dedicated Internet connectivity service for enterprises
- ◆ Service contracts are based on bandwidth. Minimum contract period is 1 year
- ◆ The revenue is 100% recognized in Internet connectivity services (Enterprise)
- ◆ Very low churn rate. Contracts are renewed every year, generally speaking
- ◆ IIJ has very high and stable market share among Japanese blue-chip
 - Difficult to newly enter the market because one will need customer base and engineers to operate Internet
 - IIJ's IP services clients include general Japanese enterprise as well as NW operators such as consumer ISPs and cable TV operators

IP Service Revenue (unit: ¥ billion)



Business model

Cost

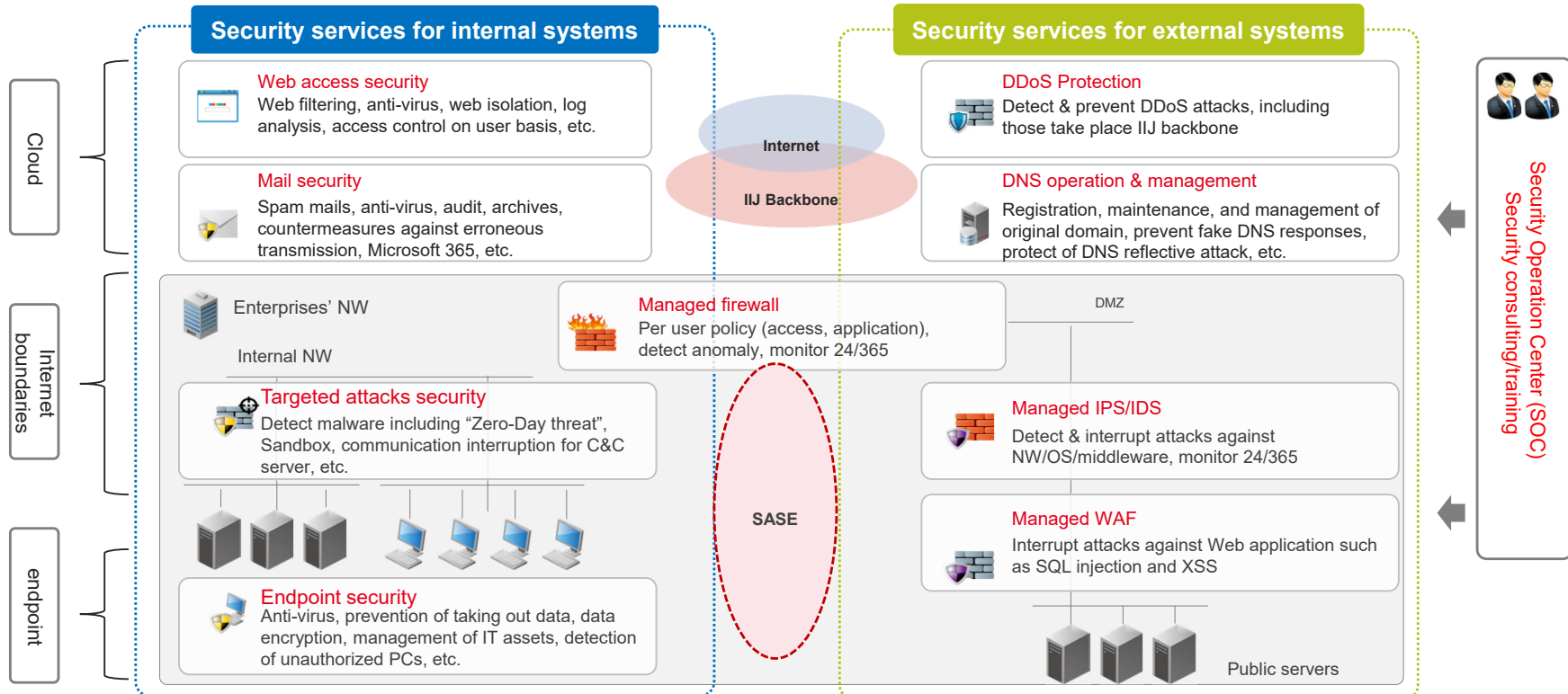
- ◆ IIJ purchases fiber from carriers
 - As one of the largest independent ISPs, IIJ has strong bargaining power
 - IIJ expands its Internet backbone continuously
- ◆ IIJ owns NW equipment that are needed for Internet backbone and NW service facility
 - NW operation cost which is many depreciation amortization costs for NW equipment is stable due to the technological innovation of servers and other NW equipment
 - In other words, ¥1 million server today is higher spec compared to the ¥1 million server a year ago

Revenue

- ◆ Enterprise NW service revenues such as IP services and Outsourcing services are to continuously increase while their costs remain relatively stable
- ◆ By that, IIJ can enjoy an economy of scale with strong revenue accumulation which leads to gross profit expansion
- ◆ In other words, the costs for enterprise NW services do not have to increase at the same pace the revenue growth

Security Business (1)

- Provide a wide range of security services over network
- Information analysis platform utilizing information and expertise only available to ISPs



• SASE (Secure Access Service Edge) is a concept to shift controls of NW and security on the route to Cloud services to enable secure access from any points, instead of the conventional centralized management through headquarters or data centers.

Security Business (2)

> Many initiatives taken by IJ for security

- 1994 Started providing firewall services (first in Japan)
- 1999 Started providing fully-managed firewall services (first in Japan)
- 2004 Started providing spam mail filtering (first in Japan)
- 2005 Added sender domain authorization technology/spam mail protection (first in Japan), Started providing IJ DDoS Protection Services
- 2006 Started providing IJ Managed IPS Service and **IJ Secure MX Service (SMX)**
- 2009 **Started providing IJ Secure Web Gateway Service (SWG)**
- 2015 Added sandbox option (function to detect behaviors as a countermeasure against targeted attacks)
- 2016 Constructed information analysis platform (constructed platform to analyze log data within our backbone to realize early detection and countermeasures against increasingly sophisticated threats)
- 2017 Started providing DDoS Protection Service (terabit-compatible), Opened new Security Operation Center (SOC) and started providing C-SOC Service**
- 2018 IJ Security engineers provided trainings at an international security conference “Black Hat USA 2018” (first as Japanese)**
- 2018 Started providing IJ Secure Endpoint Security Service
- 2019 Started providing IJ Managed WAF Security Service (public web system vulnerability countermeasures)
- 2021 Started providing IJ CSPM Solution (Cloud Security Posture Management which means cloud security management)
- 2021 Opened IJ Security Training School (launched business for IT division personnel assigned for security to become specialists)**
- 2022 Started providing IJ Secure Access Service (in-house developed SASE service)**
- 2023 IJ Security Business division director was appointed as Kanto Regional Police Bureau’s cyber security advisor
- 2025 Started providing IJ Security Doctor in which IJ security experts provide comprehensive support for customers’ security measures & operations

Certification of multiple international standards

Feb. 2020 Mail, Web Security Services

Apr. 2020 IJ Managed IPS/IDS Services

Mar. 2021 DDoS Protection Service, IJ Managed WAF

Continued afterwards

Security Business (3)

IJ Secure MX Service (SMX)

- ◆ Cloud-based integrated mail security service (launched in Sep. 2006)
- ◆ Differentiating by in-house developed filtering, providing support in Japanese, update, etc.
 - Minimize mail threats with multi filtering, able to store unlimited mail data in DCs located in Japan, prevent accidental transmission/information leak with the system
- ◆ Competitors withdrawing from the market



Cloud based mail security market
Share No.1
<Source> ITR "ITR Market View: Cyber Security counter market 2023"

IJ Secure Web Gateway Service (SWG)

- ◆ Cloud-based integrated web security service (launched in Mar. 2009)
- ◆ Differentiating by in-housed developed engines, etc. to block and isolate web functions, etc.
- ◆ SWG clients include Sumitomo Life Insurance, Fuji TV, Mitsubishi Chemical, Meiji Gakuin University, and Morinaga



<Source> ITR "ITR Market View: Cyber Security counter market 2023"

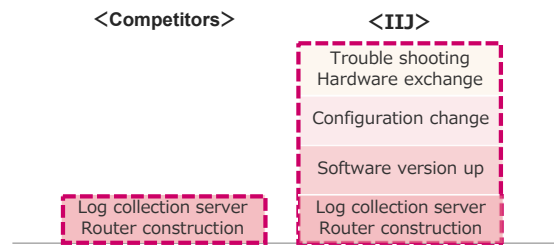
IJ DDoS (Distributed Denial of Service) Protection Service

- ◆ Comprehensive service to protect enterprise NW system from DDoS attacks (launched in Oct. 2005)
- ◆ Service model requires NW backbone to offer
 - Realize reliable web services by avoiding overloaded NW and server triggered by huge traffic
 - 24/365 operation by security engineers who have expertise obtained through ISP business
 - Automatically detect and prevent DDoS attacks
 - Internet access line are also within service coverage
 - Global coverage to prevent terabit level large-scale attack (Jan. 2017)
- ◆ High penetration rate toward large financial institutions

IJ C-SOC (Security Operation Center) Service

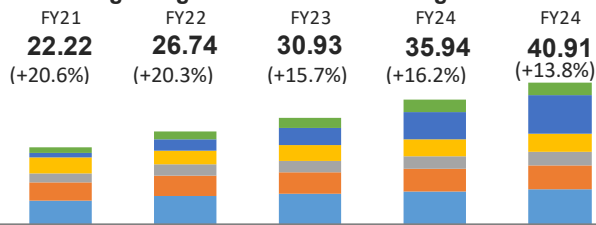
- ◆ Comprehensive security incident response service provided by IJ security engineers
- ◆ Operational SOC service unique to ISPs: visualize invisible threats by applying IJ's unique intelligence, execute initial response, etc.
- ◆ Individual service operation and monitoring including other managed services
- ◆ Relatively expensive service

Coverage comparison



Security Service (monthly recurring revenue)

◆ Revenue strongly increasing along with continuous strong demands



◆ Total security business volume also growing

- Security projects outside the scope of IIJ security services are handled through SI

Total security business volume (Service + SI)	FY21	FY22	FY23	FY24	FY25
	25.4	31.3	34.8	41.6	48.4

◆ Strong demand for "IIJ C-SOC Service"

Greater opportunity to integrate it as part of large NW renewal projects

- IIJ's competitive advantages:
 - Collaborate with various in-house devolved managed type gateway security services
 - Wide monitoring scope including EDR & SASE
 - Apply abundant traffic log data to develop IIJ's unique intelligence as well as detect threats

◆ Collaborate with Uzbektelecom on security service development

- Uzbektelecom plans to launch its own NW security service in Uzbekistan and Central Asia, collaborating with "IIJ Safous Service"

◆ Continued to enhance security line-ups and functions

- "IIJ Safous Service" was awarded "Global InfoSec Awards" and "Cybersecurity Excellence Awards" at RSA Conference 2024 in May 2024 (7 awards in total)
- First in the Asia-Pacific to be certified as Palo Alto Networks Partner for SP Interconnect, providing Internet connection between Prisma Access and IIJ Backbone (Apr. 2024)

- Security Service Revenue (recurring) is 100% recognized in Outsourcing
- SASE (Secure Access Service Edge) is a concept to shift controls of NW and security on the route to Cloud services to enable secure access from any points, instead of the conventional centralized management through headquarters or data centers. This concept is gaining popularity along with Cloud migration of enterprise operation systems, prevalence of flexible workstyle including teleworking.
- SOC (Security Operation Center): organization providing advices and actions regarding cyber attacks by constantly monitoring log data such as NW and device to detect and analyze cyber attacks

Mail Security

- Full outsource of mail system, countermeasures for spam mail, etc.
 - Number of e-mail services' accounts for enterprise exceeded 10 million in Jul. 2024
- IIJ Secure MX Service (SMX)
 - Cloud-based integrated mail security service (launched in Sep. 2006)
 - Differentiating by in-house developed multi-filtering, providing support in Japanese and upgrades
 - Minimize mail threats with multi-filtering, able to store unlimited mail date in DCs located in Japan, prevent accidental transmission/information leak with the system

NW Security

- IIJ DDoS Protection Service
 - Comprehensive service to protect enterprise network system from DDoS attacks (launched in Oct. 2005)
 - Service model unique to NW operators
 - Realize reliable web services by avoiding overloaded network and server triggered by huge traffic, global coverage to prevent terabit level large-scale attack (launched in Jan. 2017)
- IPS/IDS, WAF, etc.

FW (Firewall)

- Outsource of firewall operation, detection system for anomaly, etc. (launched in Oct. 2006)

Web GW

- Full outsource of web security, URL filtering,
- IIJ Secure Web GW Service (SWG)
 - Cloud-based integrated web security service (launched in Mar. 2009)
 - Differentiating by in-housed developed engines etc. to block and isolate web functions, etc.

SASE

- Operation of Prisma Access, Zscaler etc.
 - Highly regarded as a top-class SASE implementation & operation vendor
 - From a vendor neutral position, provide all-in-one support ranging from solution selection, design, construction, implementation to operation
- IIJ Secure Access Service "ISA"
 - In-house developed SASE service (launched in Sep. 2022)
 - Differentiating by high compatibility with other IIJ security services, small start & low-price range
 - Continue to enhance the service, in the middle of setting up

SOC and others

- IIJ C-SOC Service
 - Launched in Oct. 2018
 - Operational SOC service unique to ISPs: visualize invisible threats by applying IIJ's unique intelligence, execute initial response as well as notification etc.
 - Continuously expanding functions including recently launched "Premium" in May 2021 which offers primary responses against attacks
- Endpoint Security, etc.

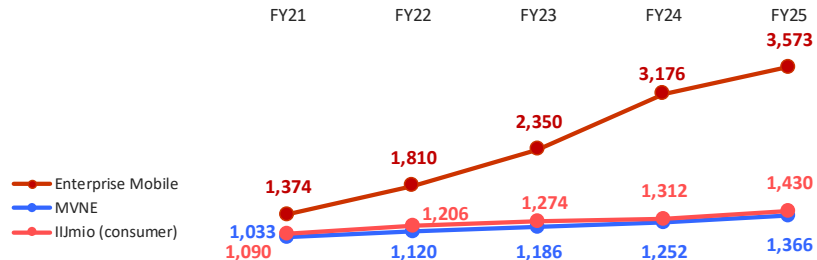
Mobile Business (1)

Unit: ¥ (JPY) billion (bn)
 %, YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

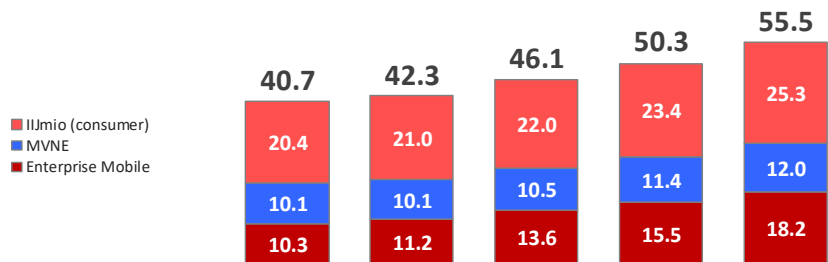
Supplemental
 Business
 Information

- Accumulate enterprise IoT traffic by leveraging the blue-chip client base, various NW services & SI function - higher utilization of the mobile infrastructure
- Consumer subscription contributing to expand the infrastructure

Mobile Subscription



Mobile Revenue



Number of MVNE clients	170	181	192	201	212
------------------------	-----	-----	-----	-----	-----

- Enterprise mobile primarily refer to direct offerings for IoT and similar usages such as connecting security cameras and other devices.
- MVNE (sales of service to other MVNOs) refers to IJ Mobile MVNO Platform Service. The clients include Aeon retail and Mercari
- FY21 IJmio revenue decreased YoY due to the launch of significantly lower-priced GigaPlans

IJ's mobile business model

◆ Revenue

- Consumer mobile revenue is calculated as the number of subscriptions multiplied by ARPU.
- Sales of headsets are also recognized as consumer revenue. IJ is recognized as an MVNO with a strong lineup of smart phones.
- Enterprise mobile revenue is expected to grow with IoT/M2M traffic. Since IoT devices typically require minimal data, per-device revenue tends to be low.

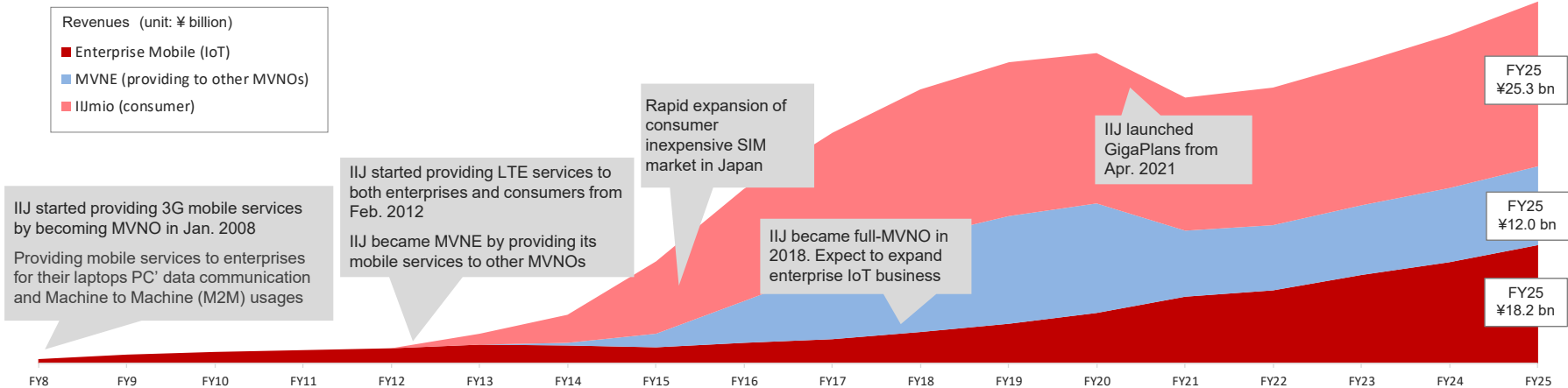
◆ Cost

- All IJ mobile services are provided through a unified mobile infrastructure.
- IJ purchases mobile bandwidth primarily from Docomo and, to a lesser extent, KDDI. These costs are recorded as "outsourcing" under network service expenses.
- Voice services are purchased on a per-usage basis, so there is no economy of scale benefit for voice.
- Sales commissions (SG&A) are paid to sales partners such as BICCAMERA INC.

◆ Profit

- Profitability is expected to improve by increasing infrastructure utilization through the aggregation of consumer and enterprise traffic.
- Consumer and enterprise traffic patterns differ:
 - Consumers: Peak usage occurs during commuting hours and lunch breaks. Outside these times, most access the Internet via home or office Wi-Fi.
 - Enterprise: No clear peak usage; traffic is generated by mobile dongles and IoT devices operating 24/7

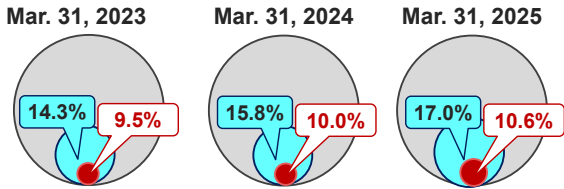
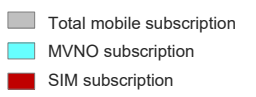
Mobile Business (2)



Sales Channel of Consumer Mobile

1. Direct sales through IIJ's website
2. Sales partners include BICCAMERA INC. one of the largest retailers in Japan, and Japan Airlines. IIJ pays sales commission expenses to sales partners
3. MVNE "IIJ Mobile Platform Service" IIJ provides mobile services to other MVNOs. Most of the MVNE clients are Japanese cable TV operators who already have direct relationship with consumers. Largest MVNE client is one of the largest Japanese retailers

Consumer inexpensive SIM market in Japan



SIM type MVNO market share in Japan

	Sep. 30, 2024		Mar. 31, 2025	
1 st	IIJ	29.0%	IIJ	31.5%
2 nd	NTT Docomo	11.0%	Optage (mineo)	9.9%
3 rd	Optage (mineo)	10.0%	NTT Docomo	8.7%
4 th	JCOM	5.7%	JCOM	5.8%
5 th	AEON Retail	5.7%	AEON Retail	5.6%

• Source: the Ministry of Internal Affairs and Communications (MIC)

• Source: MM Research Institute <https://www.itmedia.co.jp/mobile/articles/2507/03/news095.html>
 • Aeon Mobile (AEON Retail) is using IIJ's MVNE platform service

Mobile Business (3)

Including tax

Supplemental
Business
Information

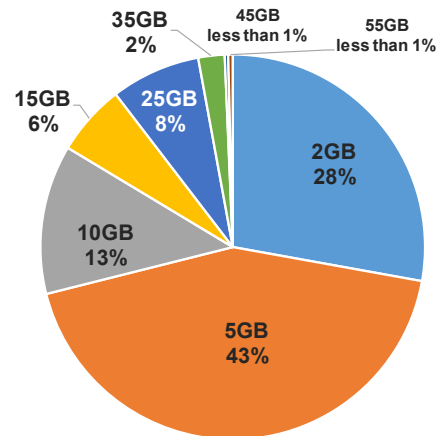
Price list for “IIJmio GigaPlans”

- The price list was updated in Mar. 2025. The 15GB plan was revised in Mar. 2026.

2GB	With voice	¥850
	Data-only	¥740
5GB	With voice	From ¥990 to ¥950
	Data-only	From ¥900 to ¥860
10GB	With voice	From ¥1,500 to ¥1,400
	Data-only	From ¥1,400 to ¥1,300
15GB	With voice	From ¥1,800 to ¥1,600 *from Mar. 2026
	Data-only	From ¥1,730 to ¥1,530 *from Mar. 2026
From 20GB to 25GB	With voice	¥2,000
	Data-only	¥1,950
From 30GB to 35GB	With voice	From ¥2,700 to ¥2,400
	Data-only	From ¥2,640 to ¥2,340
From 40GB to 45GB	With voice	¥3,300
	Data-only	¥3,240
From 50GB to 55GB	With voice	¥3,900
	Data-only	¥3,840

GigaPlans: by data plans

As of Mar. 31, 2026



- Shift from low bundled to mid-to high bundled plans

	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
2GB	33%	30%	29%	28%	28%
5GB	44%	44%	44%	43%	43%
10GB	11%	13%	13%	14%	13%
15GB	4%	3%	3%	4%	6%
25GB	7%	8%	8%	8%	8%

- As of Mar. 31, 2026, 83% of IIJmio GigaPlans were with voice plan

Mobile Business (4)

◆ NTT Docomo's Mobile data interconnectivity charge (Mbps unit charge・monthly)

Fiscal Year	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
New						Announced in Mar. 2026 ¥10,931 +0.5% YoY	¥10,104 -7.6% YoY	¥9,488 -6.1% YoY
Fixed	¥27,024 -27.5% YoY	¥19,979 -26.1% YoY	¥15,042 -24.7% YoY	¥12,862 -14.5% YoY	To be fixed in Dec. 2026			
Old			Fixed as previously proposed by the future cost method No one-time cost reimbursement			Announced in Mar. 2025 ¥10,874 -15.5% YoY	¥10,383 -4.5% YoY	¥9,052 -12.8% YoY
				Announced in Mar. 2024 ¥12,862 -14.5% YoY	¥10,874 -15.5% YoY	¥10,708 -1.5% YoY		
			Announced in Mar. 2023 ¥15,644 -21.7% YoY	¥13,084 -16.4% YoY	¥11,255 -14.0% YoY			
		Announced in Apr. 2022 ¥20,327 -24.8% YoY	¥15,697 -22.8% YoY	¥13,207 -15.9% YoY				
	Announced in Mar. 2021 ¥28,385 -23.9% YoY	¥22,190 -21.8% YoY	¥18,014 -18.8% YoY					

- Under the future cost method, MNOs are to disclose the charges for next three yrs based on their prediction about cost etc. Its calculation is (Data communication cost + profit) /demand
- The charge disclosed based on the future cost method is to be finalized based on MNOs actual cost results etc.
- The YoY (Year over Year) decrease percentage written under each charge is compared with the previous year charge
- The charge is public information disclosed in NTT Docomo's service terms and conditions document uploaded on NTT Docomo's website (only available in Japanese) <https://www.docomo.ne.jp/binary/pdf/corporate/disclosure/mvno/business/oroshi.pdf>

Mobile Business (5)

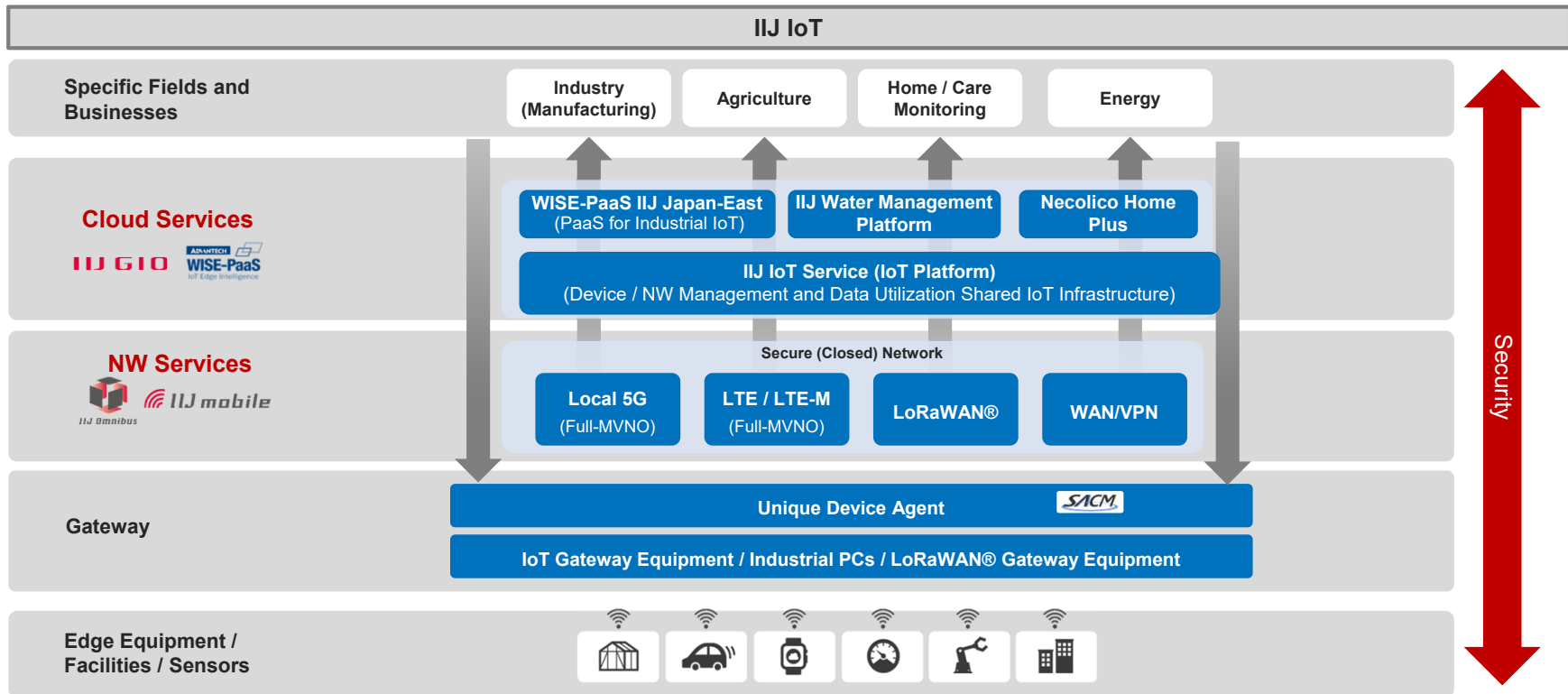
- Most of current enterprise mobile solution are simple usage such as connecting NW and surveillance cameras, etc.

Accumulating various enterprise mobile solutions

Network Cameras	Office IT	B-to-C
Store marketing cameras	iPads and tablets	Karaoke communications
Security cameras for apartment complexes, etc.	Remote work (teleconferencing)	Child monitoring devices
Surveillance cameras for material storage sites, etc.	Business / IP transceivers	Networking between devices at game arcades
Security cameras	Store visitor management systems	Currency exchange machines for foreign visitors to Japan
River water level remote monitoring	Built-in SIMs for PCs	Cashless payment terminals
Transportation	Corporate Activities / Other	
Dashcams	Structural health monitoring terminals	Rice paddy water management
Taxi dispatching	Plant equipment management	Shrimp cultivation
Bus locational information	Natural disaster observational data collection	Mobile sales offices
Remote key locking and unlocking	Vending machines	Digital signage

IoT Business (1)

Combining IIJ's existing service lineups and SI to build IoT systems



IoT Business (2)

IIJ's IoT projects

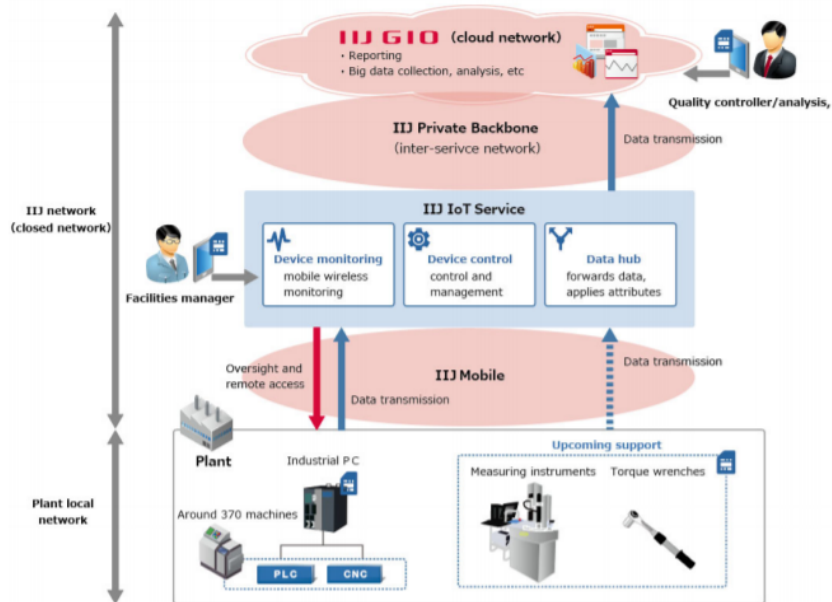
Industrial machinery manufacturers	Shift from reactive post-sales maintenance model to proactive field services (making predictions based on data)
Car accessory manufacturers	Expansion of service businesses by acquiring data through the networking of products and establishing software technology development organizations to develop services that use that data
Measuring instrument manufacturers	Expansion of services to streamline & improve the accuracy of recording tasks by going beyond just "measuring" things & providing linking data customers measure with their business systems
Automotive manufacturers	Improved efficiency of equipment management to cover personnel shortages, analyzing the expertise of skilled workers in maintaining operating capacity and implementing traceability to ensure quality
Trading companies (agriculture)	Shift from the sales of pesticides & chemical fertilizers to the provision of pesticide spraying technologies that reduce the amount used, & the development of cutting-edge agricultural technologies

Advanced IoT usage: factory IoT

◆ IIJ provides IoT system for Toyota Motor Hokkaido

- Providing a one-stop solution by offering mobile and Cloud services from data collection via closed mobile network to creation of a Cloud platform for visualizing and analyzing the collected data.

System image



IoT Business (3) New JV with SONY for soil moisture sensing business

Company Overview	
Company Name	Sensiphia, Inc.
Shareholders	IJJ: 85%, Sony Semiconductor Solutions Corporation ("Sony"): 11%, Other: 4%
Capital, etc.	JPY559 million
Establishment	February 20, 2026
Representative	Representative Director, President & CEO: Toru Saito (Former Deputy Division Director, IoT Business Division, Network Services Business Unit, IJJ)
Business Overview	Development, sales, and support of moisture sensors and agricultural support services using soil moisture sensing technology

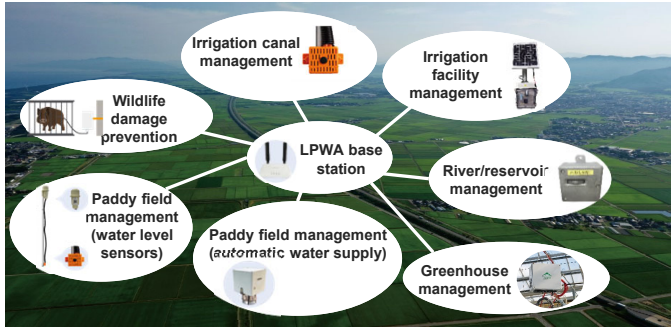
Background of Establishment / Business Development
<ul style="list-style-type: none"> IJJ provides smart agriculture solutions that integrate communication infrastructure, sensor devices, and data management as part of its IoT business since 2019. By combining these with Sony's technological expertise in sensor development, Sensiphia is to develop and offer products and services that enhance operational quality and efficiency in agricultural field As a data-driven agricultural support service leveraging sensor data, Sensiphia is to provide comprehensive support for irrigation optimization, efficient water usage, and yield improvement Sensiphia will initially focus on the domestic facility cultivation market, with medium- to long-term expansion plan into overseas facility cultivation and open-field agriculture

IJJ's Strengths

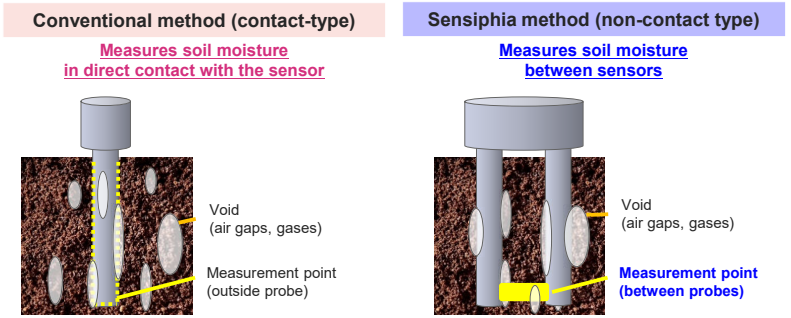
- Extensive know-how in developing IoT businesses in the agriculture sector, built through collaboration with local governments nationwide in deploying communication infrastructure for agricultural areas
- Capability to build and operate wide-area communication infrastructure, including support for regions with poor mobile network coverage

Sony's Strengths

- Unique sensor technology that is less affected by soil conditions
- Conventional methods measure soil moisture in direct contact with the sensor and are therefore affected by soil voids, whereas the Sensiphia method measures soil moisture between sensors using RF signals, enabling stable soil moisture measurement.



*LPWA (Low Power, Wide Area): A wireless communication technology optimized for IoT/M2M applications, characterized by low power consumption and long-range connectivity.

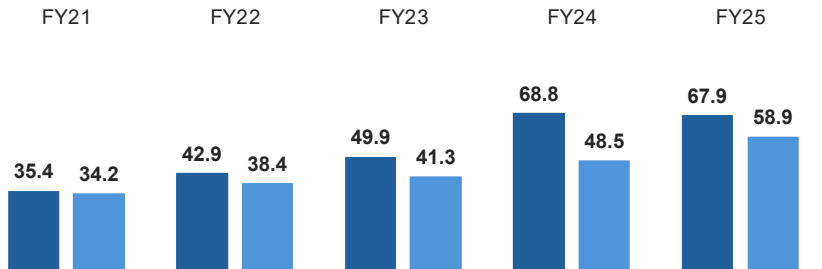


*RF (Radio Frequency) signals: A high-frequency electromagnetic wave (radio wave) or electrical signal used for wireless communication and data transmission.

System Integration (SI)

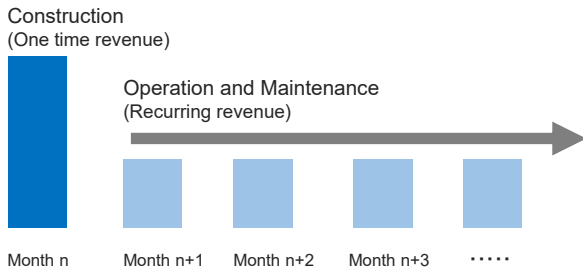
SI Revenue

- Construction (one-time)
- Operation and Maintenance (recurring)
*excluding cloud service revenue



* FY24 construction revenue includes approx. ¥5.0 bn of single large-scale project revenue for Chiba city

Image of revenue recognition



Overview of IIJ's SI Projects

Typical projects

Small-to-medium server construction projects
(building Internet gateway, etc.)
main cost: hardware

Network renewal projects
(upgrading corporate and/or municipal network infrastructure, etc.)

Short lead-time

Typically 1-6 months from order received to revenue recognition

Small revenue size

Revenue volume between few million to tens of millions (JPY)

New Trends

Replacement of conventional closed internal systems to Internet/cloud-related architecture
(details in page 3-5 of this presentation)

Complete enterprise network replacement projects

Involving large number of system engineers and outsourcing personnel

Recurring Revenue Included

Once construction is complete, recurring revenue opportunities arise from NW services and O/M

Longer lead-time and multi-year contract

1 year from order received to revenue recognition. Large-scale projects usually span 3 to 5 years under multi-year contracts

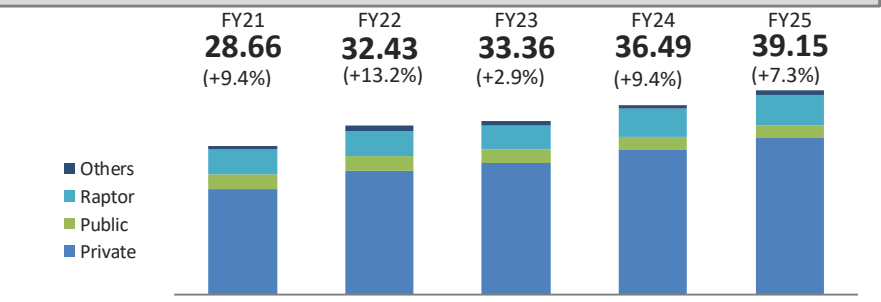
Large revenue size

We define large-scale projects as revenue volume over JPY1 billion

Cloud Services

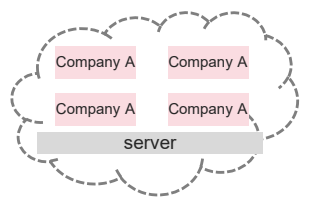
- ◆ Cloud service as one of the cross-selling elements
- ◆ Promoting cloud shift of the current blue-chip Japanese clients

Cloud Service Revenue

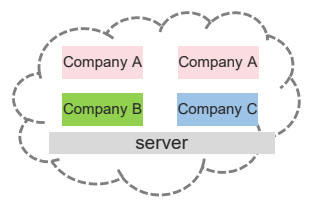


- Private cloud includes the followings: IIJ GIO Infrastructure P2 Gen.2 (launched in Oct. 2021) which is a next generation IaaS enabling easy Cloud migration from on-premise. It is highly transitional VMware base hosted private cloud. IIJ Unified Operation Management Service (UOM) (launched in Apr. 2017) which is management and operation cover wide range from cloud to on-premise, Improve efficiency with automated incident management etc. Multi-cloud, etc.
- Raptor is an in-house SaaS-based FX platform for online brokers, used by firms like Nomura, Sony Bank, and LINE Securities. The latest version, launched in Sep. 2023, offers a cloud-native design with enhanced scalability, performance, and security.
- Others include overseas cloud services provided by IIJ's global subsidiaries.

Private cloud (dedicated to one company)



Public cloud (multi-tenant cloud)



Cloud Market in Japan

Slow cloud shift

The majority of corporate systems in Japan remain on-premise

Multi-cloud strategies

Avoid vendor lock-in while optimizing performance, cost, and resilience

Some advanced cases

Companies with strong CTO or CIO leadership tends to adopt a cloud-first approach

IIJ's Competitive Advantages

Established blue-chip client base

IIJ already has good relationship with IT departments of Japanese blue-chip corporations

Cloud as a new opportunity

Japanese blue-chip corporations' internal systems have long been operated by legacy Slers

Flexible Network Solutions

Enabling multiple ways to connect to the cloud

Hands-on salesforce

An experienced, client-focused sales team guide clients through every step of the cloud journey

Multi-cloud strategy

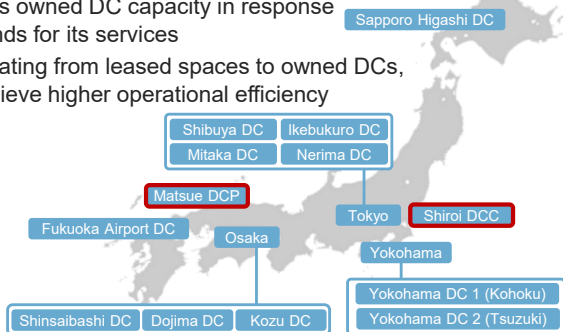
- ◆ Japanese enterprises avoid relying on single cloud service vendor and prefer multi-cloud systems
 - Multi-cloud demands are generating demands for "IIJ Cloud Exchange Services" (revenue recognized in NW Services) which provide private connectivity to third vendor Cloud services such as AWS (Amazon), Microsoft, and Google
 - IIJ provides operation and management services to effectively monitor an entire IT systems through IIJ UOM Service which covers IIJ's cloud services, other cloud vendors' cloud services and on-premise systems
 - "IIJ GIO Infrastructure P2 Gen.2," was launched in Oct. 2021 to promote full-scale cloud shift of enterprise systems

Data Centers (DCs)

◆ IIJ operates 13 DCs in Japan, 2 of which are owned by IIJ (as of May 2026), the remaining facilities are leased from DC owners on floor-by-floor basis

➢ IIJ is expanding its owned DC capacity in response to growing demands for its services

➢ By gradually migrating from leased spaces to owned DCs, IIJ expects to achieve higher operational efficiency



2 DCs owned by IIJ

	Matsue DCP (opened in Apr. 2011)	Shiroy DCC (opened in May 2019)
Objective	Used as facilities to accommodate in-house service infrastructure (cloud, network, security, etc.)	
Location	Matsue City, Shimane Prefecture	Shiroy City, Chiba Prefecture
Features	<ul style="list-style-type: none"> • Container-type DC modules and system modules developed by IIJ • First deployment in Japan of IIJ's external air-cooling container unit • Modular container-based design enables phased expansion in line with demand • Renewable energy generated via on-site large-scale solar panels • Dedicated containers for individual customers also available 	<ul style="list-style-type: none"> • Energy-efficient technologies including external air cooling • System module approach allows flexible and low-cost capacity expansion • Use of lithium-ion batteries to reduce peak power demand during summer • Renewable energy generation via on-site solar panels • Direct procurement of non-fossil certificates to supply effectively renewable energy • Supports diversified colocation needs
Land	Approx. 16,000m ²	Approx. 40,000m ²
Capacity	Approx. 700 racks <ul style="list-style-type: none"> • Site 1 <ul style="list-style-type: none"> ✓ IT module: approx. 100 racks (since Apr. 2011) ✓ System module: approx. 300 racks (since Jun. 2025) • Site 2 <ul style="list-style-type: none"> ✓ Approx. 300 racks (since Nov. 2013) 	Approx. 1,800 racks <ul style="list-style-type: none"> • 1st site: approx. 700 racks (since May 2019) • 2nd site: approx. 1,100 racks (since Jul. 2023)
Recent Developments	<ul style="list-style-type: none"> • System module building started operations (Jun. 2025) 	<ul style="list-style-type: none"> • 2nd site is to be fully occupied around FY26 by IIJ's own service facilities and colocation • 3rd site construction <ul style="list-style-type: none"> ✓ Expected CAPEX: approx. ¥27.0 bn ✓ Started constructing from Jun. 2025 ✓ Scheduled operation from FY2026 ✓ Construction area: approx. 5,400m² ✓ Approx. 1,000 racks

Initiatives for Environment

Measures	TCFD Targets			
Usage of renewable energy	To increase the renewable energy usage rate of DCs (Scope 1 and 2) to 85% in FY2030			
	Results	FY23: 50%	FY24: 55%	FY25: 65%
Improvement of energy conservation	To keep the PUE of the DC at or below the industry's highest level (1.4) until FY2030 through continuous technological innovation			
	Results	FY23	FY24	FY25
	Matsue DCP	1.33	1.34	1.38
Shiroy DCC	1.36	1.32	1.31	

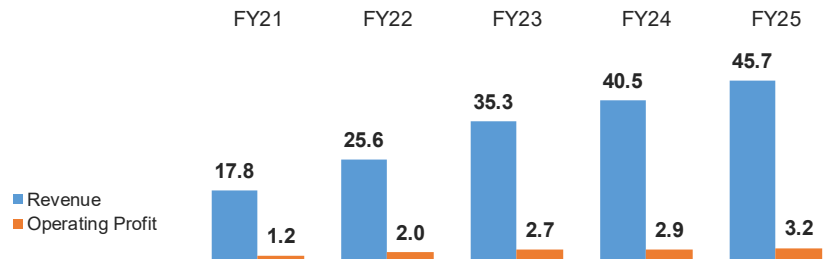
• PUE(Power Usage Effectiveness) is a metric that shows how efficiently electricity is used at a data center. The closer to 1.0 is considered to be good

• TCFD: Task Force on Climate-related Financial Disclosures

• Scope 1 and 2 (Greenhouse gas emissions by a company): Direct emissions from the use of fuels and industrial processes at the company and indirect emissions from the use of electricity and heat purchased by the company (as defined by the GHG Protocol)

◆ IIJ started expanding overseas business around FY11 to strengthen relationship with Japanese clients

Financial Performance



- Overseas business is mostly recognized as SI revenue
- PTC, a Singaporean system integrator, became a wholly owned subsidiary of IIJ on April 1, 2021.

Overseas Offices



Overseas Projects

- ◆ IIJ has exported its container-type data centers to the Republic of Laos, Uzbekistan and other emerging countries to support the development of IT infrastructures
- ◆ Through “Crossborder Co-DataBiz Platform,” IIJ and Murata Manufacturing provide end-to-end IoT services for Japanese companies expanding into Southeast Asia, including traffic counter systems, vehicle type classification, and AI-based road damage detection
- ◆ IIJ has conducted an IoT-based shrimp farming project in Thailand to optimize water quality and improve aquaculture productivity

Initiatives in ASEAN

- ◆ While the IT markets in the U.S. and Europe are relatively matured, those in show strong growth potential. IIJ has established joint ventures with local carriers in ASEAN regions, primarily to provide cloud services:
 - with Biznet Networks in Indonesia (Mar. 2015)
 - with T.C.C. Technology Co., Ltd, in Thailand (Feb. 2016)
 - with FTP Telecom Partner in Vietnam (Nov. 2016)
- ◆ IIJ acquired Singapore-based Sler PTC in April 2021. PTC serves blue-chip clients with high-quality server and storage solutions. PTC was named NVIDIA's first DGX-Ready Managed Services partner in Asia Pacific, supporting AI infrastructure deployment across Southeast Asia including Thailand and Singapore

DeCurret and Digital Currency Business

Company Profile

DeCurret Holdings (IIJ's equity method investee)

Shareholders (43 companies)

- IIJ (shareholding ratio: 34.8%), financial institutions (banks, securities, and insurance), telecom carriers, IT service providers, logistics and transportation companies, retailers, real estate firms, energy and infrastructure providers, advertising agencies, security service companies, and general trading companies, etc.

Impact on IIJ's financials

- DeCurret-related shares of loss of investments accounted for using equity method investee: FY25 JPY0.8 bn, FY26 plan: approx. JPY1.5 billion

Scheduled absorption-type merger on July 1, 2026

DeCurret DCP

Business

- Digital currency business (Electronic Payment Services Operators)
- Growing number of commercialization projects driven by continued market adoption of tokenized deposit concepts
- FY26 costs are expected to increase, mainly due to higher development expenses associated with the expansion of the Financial Zone, including increased development headcount

Digital Currency Forum

- DeCurret DCP serves as the secretariat and examines use cases for digital currencies
- Number of members: over 100 including enterprises and local governments (Jan. 2026)
- Observers: Financial Services Agency (FSA), Ministry of Internal Affairs and Communications (MIC), Ministry of Finance (MOF), Ministry of Economy, Trade and Industry (METI), Bank of Japan (BOJ)
- Senior advisor: Mr. Endo (former Commissioner of FSA)

Use Cases of DCJPY

Partners	Overview
GMO Aozora Net Bank, IIJ	Started digitalizing environmental value and DCJPY settlements
Japan Post Bank	Planning to launch tokenized deposits in FY26
SBI Shinsei Bank, Partior	Agreed to study FX transactions using tokenized deposits
Kyushu FG, Higo Bank, Kagoshima Bank	The first among regional banks to start joint study of DCJPY adoption
GAMBA OSAKA	Launch Proof-of-Concept for "Value-Circulating Fan Community" Utilizing Blockchain Technology
Fast Accounting, GMO Aozora Net Bank, IIJ	Conducted a PoC for automating corporate invoice payments.
JAPAN ASSOCIATION OF CHAIN DRUG STORES	Exploring the use of digital currencies
Visual Voice	Commenced a PoC experiment aimed at building a new community service utilizing digital currency technology and blockchain
SBI Security, Daiwa Securities, SBI Shinsei Bank, BOOSTRY, Osaka Digital Exchange	Completion of the First Field Test for Security Token Payments Using Tokenized Deposits in Japan

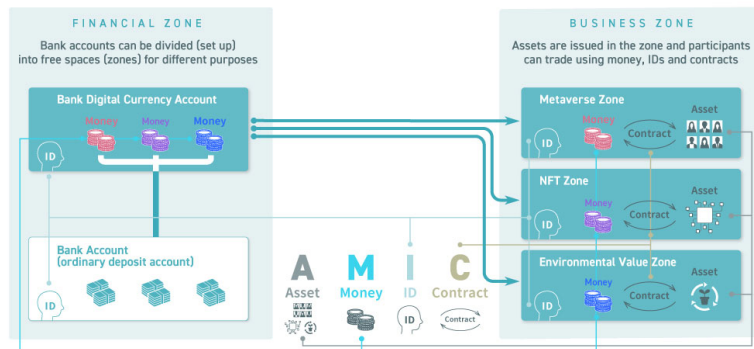
DCJPY Network

Financial Zone (FZ)

Banks:
Minting & transferring digital currency, etc.

Business Zone (BZ)

Enterprises & government agencies, etc.:
Implementing the use case



	Tokenized Bank Deposits	Electronic payment instrument (Stable Coins)	
	DCJPY	Type I	Type III: specific trust beneficiary right (money trust)
Legal framework	Banking Act, Deposit Insurance Act, etc.	Payment Services Act	
Legal nature	Deposit claims	Trust beneficiary interests, etc.	
Underlying asset	Bank deposits themselves (not underlying asset)	Preservation through deposit, etc.	Trust assets (deposits, etc.)
Issuers	Banks	Type II funds transfer service providers	Trust banks & trust companies
Features	<ul style="list-style-type: none"> There is no upper limit on transfer amounts Treatment equivalent to bank deposits (covered by the deposit insurance system, etc.) Along with the expansion of BZ, use cases for digital currency are to also expand 	<ul style="list-style-type: none"> There is an upper limit on transfer amounts (Type II funds transfer service providers: JPY1 million maximum per transaction) 	<ul style="list-style-type: none"> Trust banks have no upper limit on transfer amounts, while trust companies have some restrictions

CDN Business through JOCDN

◆ IJ established a CDN (Content Delivery Network) company with major Japanese broadcasters to meet growing demand for Internet content distribution, entering a market long dominated by Akamai Technologies

Company Profile

Name	JOCDN Inc. (IJJ's equity method investee)
Business	<ul style="list-style-type: none"> • Provide video streaming platform services domestically • Construct and operate broadcasting systems
Established	December 1, 2016
Shareholders	IJJ (largest shareholder with 16.8%), Nippon TV, TV Asahi, TBS, TV Tokyo, Fuji TV, WOWOW (Prominent satellite broadcaster in Japan), NHK (Japan's only public broadcaster) and non-Tokyo local broadcasters
Directors	Chairman: Koichi Suzuki (IJJ CEO) President: Naoshi Yoneyama (IJJ CIO)
Service Achievements	<ul style="list-style-type: none"> • Video streaming services for broadcasters • Video streaming services for broadcasters' affiliates • Live streaming for major sports events • Live game streaming • Website distribution via CDN

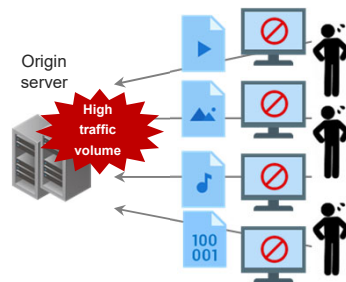
CDN Services

CDN allows for an optimized content delivery via cache servers between users and origin systems

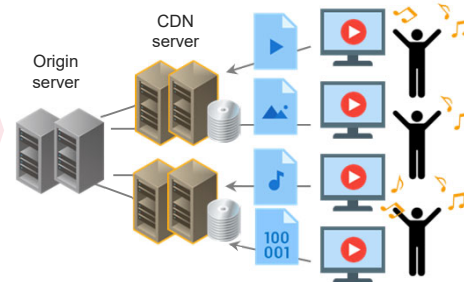
Benefits of CDN:

- For users: faster network response and quicker downloads
- For enterprises: prevents excessive traffic from concentrating on the origin server

Without CDN



With CDN



JOCDN's Strengths

Ensuring broadcast-level quality through fully in-house infrastructure

Advanced network architecture leveraging ISP expertise

Flexible and fast service support powered by Japan-based engineers

Infrastructure setup optimized for the nature of the content being delivered

ATM Operation Business

Business Model

- Similar to “Seven Bank” model
- Placing ATMs in pachinko parlors in Japan
 - After long discussion, started to place in Kanto, Kansai, Kyushu and Tokai areas
 - 7,665 pachinko parlors in Japan as of Dec. 31, 2022 (Source: National Police Agency)
- Receive commission for each withdrawal transaction

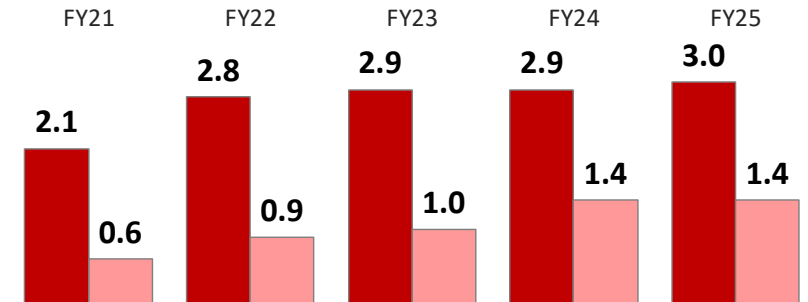
Trust Networks Inc.

- In charge of ATM operation business
- IIJ's ownership: 80.6%
- Established in 2007
- Number of employees: about 10 personnel

Revenue and Operating Profit

Unit: JPY billion

■ Revenue
■ Operating Profit



• FY20 revenue significantly decreased from FY19 as the stores we had placed ATMs were closed temporarily and fewer customers visited due to the COVID-19 pandemic and stay-at-home-order/request



• ATM (Automated Teller Machine)



The internet started in Japan in 1992, along with IIJ. Since that time, the IIJ Group has been building the infrastructure for a networked society, and with our technical expertise, we have continued to support its development. We have also continued to evolve our vision for the future and innovate to make it a reality. As an internet pioneer, IIJ has blazed the trail so that others could realize the full potential of a networked society, and that will never change. The middle "I" in "IIJ" stands for "initiative," and IIJ always starts with the future.